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424

PART III.

FURTHER CORRESPONDENCE

RESPECTING THE

FINANCES OF TURKEY.

152

1883.

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Further Correspondence respecting the Finances of Turkey.

Part III.

No. 1.

Aarify Pasha to Musurus Pasha.—(Communicated to Earl Granville by Musurus Pasha, January 23.)

M. l'Ambassadeur, *Sublime Porte, le* 16 *Janvier*, 1883.

LE résultat négatif des précédentes communications de mon Département m'oblige de revenir sur la question du tribut de la Bulgarie. La fixation de ce tribut qui doit avoir lieu conformément à l'Article IX du Traité de Berlin se fait toujours attendre. Il en est de même de la fixation des parts de la Dette Publique Ottomane, que la Serbie, le Monténégro, et la Bulgarie doivent prendre à leur charge, ainsi que celle que la Grèce est tenue de supporter d'après la Convention du 24 Mai, 1881.

Lorsque la Sublime Porte a exécuté loyalement toutes les obligations que lui imposait le Traité de Berlin, elle est en droit de s'attendre à ce que les autres parties intéressées en fassent autant. Il serait évidemment injuste de retarder davantage le réglement des questions que je viens de mentionner.

En y appelant toute l'attention de votre Excellence, je la prie de faire auprès du Gouvernement de Sa Majesté la Reine des démarches pressantes afin de provoquer le plus tôt possible l'accord nécessaire tant pour la fixation du tribut de la Bulgarie que de la part de notre dette afférente à cette Principauté, à la Serbie, à la Grèce, et au Monténégro. Le Gouvernement Impérial attache une importance particulière au succès de ces démarches.

Veuillez, &c.
(Signé) A. AARIFY.

No. 2.

Mr. Wyndham to Earl Granville.—(Received February 12.)

(No. 78.)
My Lord, *Constantinople, February* 3, 1883.

I HAVE the honour to inclose herewith, for the information of Her Majesty's Government, copy of a Law passed in Eastern Roumelia on the $\frac{8}{20}$th December last, reducing the tribute to Turkey to £T. 180,000, and of a document which was given to me by Mr. Foster on the 27th ultimo, and which has been drawn up by the Council of the Administration of the Ottoman Public Debt, taking exception to the Law in question, as being likely seriously to affect the payment by Turkey of interest upon her debt, and pointing out the necessity of the Porte taking some steps to oppose it before the lapse of two months. Mr. Foster, at the same time, asked me if, in the interests of the bondholders, I would bring the matter to the notice of the Turkish Government, and I yesterday laid the matter before the Grand Vizier, who thanked me for having done so, and stated that, as far as he was aware, Aleko Pasha had not yet submitted it to the Sublime Porte.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure 1 in No. 2.

Law respecting Turkish Tribute.

(Votée à la Séance du $\frac{5}{20}$ Décembre, modifiant le paragraphe 1er de l'Annexe No. 9 du Statut Organique.)

ARTICLE 1er. Les revenus annuels de la Roumélie Orientale, à l'exception de ceux réservés à l'Empire, des montants encaissés pour compte tiers (ou recettes d'ordre) et des frais pour la perception des impôts, sont évalués à £ T. 600,000 pour une periode de cinq ans à partir du 1er Mars, 1883.

Art. 2. Sur ces revenus, et conformément à l'Article 16 du Statut Organique, £ T. 180,000 sont annuellement réservées par la Direction des Finances au Gouvernement Impérial.

Les versements sont faits mensuellement: le 1er de chaque mois (v. s.) une somme de £ T. 15,000 est payée à la Banque Ottomane pour le mois précédent.

Art. 3. Chaque cinq années l'évaluation des revenus prévue à l'Article 1er sera modifiée suivant les résultats obtenus pendant les derniers cinq exercices.

Le tribut de la province sera évalué toujours sur la base de trois dixièmes des revenus en exceptant les revenus réservés à l'Empire, les montants rentrés pour compte de tiers (ou recettes d'ordre), et les frais de perception des impôts.

Art. 4. £ T. 5,000, représentant le produit annuel net des Douanes sont ajoutées aux £ T. 180,000 énoncées à l'Article 2 et sont payées au Gouvernement Impérial Central suivant les dispositions de l'Article 2.

Art. 5. Le Gouvernour-Général dans son Conseil Privé, et après avoir pris l'avis du Comité Permanent, a le droit de prendre les mesures de trésorerie pour faire face régulièrement aux versements mensuels établis à l'Article 2. Les intérêts et les frais motivés par ces opérations financières, seront pris sur les fonds de réserve.

Art. 6. Sont annulés les six premiers Articles de la 9e Annexe du Statut Organique.

Inclosure 2 in No. 2.

Document given to Mr. Wyndham by Mr. Foster.

L'ASSEMBLÉE Provinciale de la Roumélie Orientale a voté le $\frac{5}{20}$ Décembre dernier une Loi tendant à modifier l'Annexe 9 du Statut Organique de la Roumélie Orientale et à réduire de £ T. 240,000 à £ T. 180,000, la redevance annuelle que la province est actuellement obligée de payer au Gouvernement Central.

Cette Loi, mise en pratique, porterait préjudice aux porteurs de la Dette Publique Ottomane, le Gouvernement de Sa Majesté le Sultan ayant affecté au service de la Dette, par l'Article 8, § 7, du Décret Impérial du $\frac{5}{20}$ Décembre, 1881, la redevance de la Roumélie Orientale fixée actuellement à £ T. 240,000, plus les arriérés à partir du $\frac{1}{13}$ Mars, 1880, ainsi que les augmentations ultérieures dont cette redevance est susceptible aux termes de l'Article 5 du Règlement annexé au Chapitre VII du Statut Organique.

Le Conseil d'Administration de la Dette Publique Ottomane, appelé à représenter les porteurs et à pourvoir à leurs intérêts, n'a pas tardé à appeler l'attention du Gouvernement Impérial sur la nécessité de prendre des mesures d'urgence pour assurer le paiement de la redevance telle qu'elle est visée par le § 7 de l'Article 8 du Décret Impérial du $\frac{5}{20}$ Décembre, 1881.

Les considérations qui suivent démontreront l'incompatibilité de la décision prise par l'Assemblée Provinciale de la Roumélie Orientale, avec les termes et l'esprit du Statut Organique.

L'Article 16 de ce Statut porte que "la Roumélie Orientale participe aux charges générales de l'Empire dans une proportion de trois dixièmes de ses revenus, exception faite de ceux qui sont réservés à l'Empire."

En prenant cette décision, les auteurs du Statut ne pouvaient avoir en vue que les revenus dans leur totalité, sans distinguer entre revenus bruts et revenus nets. Cette interprétation résulte de la teneur de l'Article 17 qui spécifie les revenus réservés à l'Empire, et prescrit que l'Administration Financière de la province en paiera le produit net au Gouvernement Impérial, tandis que l'Article 16 ne parle que des revenus en termes généraux.

Il n'y avait du reste aucune nécessité pour la Commission Européenne, en fixant la quote-part destinée à l'Empire, de se prononcer sur la manière dont les revenus de la province devaient être administrés, un Règlement ultérieur devant établir la moyenne sur laquelle les trois dixièmes de ces revenus seraient prélevés pour le compte du Gouvernement Central.

Quelle utilité y aurait-il eu d'établir cette moyenne, si la redevance devait être calculée sur les revenus nets tels qu'ils pouvaient résulter des budgets annuels de la province? Assurément toute la première partie du Règlement annexé au Chapitre VII du Statut Organique, avait pour objectif de garantir le Trésor Public de l'Empire, contre les déficits que des changements arbitraires dans l'Administration des Finances de la province pouvaient éventuellement amener.

Que telle fût l'intention de la Commission Européenne la preuve s'en trouve dans le procès-verbal de sa séance du 28 Mars, 1879. C'est dans cette séance que les Commissaires de la Sublime Porte, faisant valoir leurs réserves par rapport au Chapitre VII du Statut, demandaient que la somme de £ T. 240,000 à prélever annuellement sur le revenu provincial pour être remise au Gouvernement Central, fut considérée comme le minimum de ce qui était dû chaque année au Trésor Ottoman. Non seulement cette demande de la Sublime Porte ne rencontra aucune objection de la part des Commissaires des autres Puissances, mais encore le Prince Tzeretelew, Commissaire Russe, fit-il à cette occasion la déclaration suivante:—

"Ce chiffre de £ T. 240,000 est fixé dès aujourd'hui, et la province devra toujours le payer, quel que soit le total de ses revenus. Elle le paiera pour pourvoir aux dépenses de l'armée, de la diplomatie, de la Maison Impériale, &c. . . . . car tous les frais de son Administration restent à sa charge."

Il n'est donc en aucune façon douteux que le paiement de la somme annuelle de £ T. 240,000 ait été imposé à la Roumélie Orientale comme une contribution fixe, et non comme une charge variable d'après les résultats de son Administration Financière. Il incombait à la province de régler ses dépenses d'après ses ressources disponibles, après avoir déduit de celles-ci les paiements dus au Gouvernement Central. Si les Rouméliotes ont compromis l'équilibre de leur Budget par une application défectueuse des lois financières, et par des dépenses extraordinaires non comprises dans les prévisions budgétaires de la Commission Européenne, c'est à eux d'en subir les conséquences; mais le Gouvernement Impérial ne peut être tenu de sanctionner une Loi qui diminuerait un revenu cédé par lui d'une manière absolue et irrévocable aux porteurs des titres de la Dette Publique.

Le Conseil d'Administration de cette dette espère que les Puissances qui, en stipulant l'autonomie administrative de la Roumélie Orientale, ne l'ont point exemptée de la participation aux charges générales de l'Empire, prêteront leur concours au Gouvernement Impérial pour obtenir de la province le paiement exact et régulier de la redevance fixée dans l'Annexe 9 du Statut Organique.

Dans tous les cas le Conseil se permet de rappeler à la Sublime Porte que la Loi Provinciale du $\frac{5}{20}$ Décembre dernier deviendrait définitive, aux termes du Statut Organique, dans l'une ou l'autre des éventualités suivantes: Si cette Loi obtenait la sanction de Sa Majesté Impériale le Sultan, ou s'il y avait retard de sanction pendant plus de deux mois. Or, ce délai étant, si nous ne faisons erreur, à moitié écoulé déjà, il y aurait lieu de procéder tout d'abord, et sans retard, à l'opposition que le Gouvernement Impérial jugera sans doute expédient de signifier à l'autorité Roumélioto.

Constantinople, le $\frac{10}{22}$ *Janvier*, 1883.

No. 3.

E *Sir H. Elliot to Earl Granville.—(Received February* 13.)

(No. 46.)

My Lord, *Vienna, February* 9, 1883.

THE Austro-Hungarian Government have received a communication from the Porte on the subject of the Bulgarian tribute, and Count Kálnoky tells me that he has been asked by the German Government what answer he proposes to return to it.

He replied that as the right of the Porte to ask that this matter should be settled was not to be disputed, he proposed to answer that he should be ready to direct the Austro-Hungarian Ambassador at Constantinople to join the Representatives of the

other Powers for the consideration of the question whenever they should be empowered by their respective Governments to enter into it.

I have, &c.
(Signed) HENRY ELLIOT.

No. 4.

*Earl Granville to Viscount Lyons.**

(No. 169.)
My Lord, *Foreign Office, February* 13, 1883.

THE Turkish Government has again called the attention of Her Majesty's Government to the question of the tribute to be paid by Bulgaria, and of the share of the Ottoman debt which should be borne by the Principality.

I inclose copy of a note on the subject which has been communicated to me by the Turkish Ambassador, which also refers to the question of the proportion of the Ottoman debt to be borne by Servia, Montenegro, and Greece.†

I need not remind your Excellency that the liability of Bulgaria is distinctly recognized by the Treaty of Berlin, and that, according to the stipulations of Article IX, the amount of the annual tribute to be paid to the Suzerain Court was to be fixed by an agreement between the Signatory Powers at the close of the first year of the working of the new organization in the Principality; it was to be calculated on the mean revenue of her territory, and the Powers were at the same time to take into consideration what portion of the public debt of the Empire could be assigned to her on the basis of a fair proportion.

As regards Servia and Montenegro, the Representatives at Constantinople were, under Articles XLII and XXXIII, to fix the amount of their share of the debt, in concert with the Porte, on an equitable basis.

Her Majesty's Government have hitherto maintained that the necessary calculations could not be accurately made until the boundaries of the countries concerned, as laid down by the Treaty, had been determined by the various frontier Commissioners, and agreed to by all the Powers. It was not until the 11th August, 1881, that Turkey gave her adhesion to the Final Acts of the Commissioners in regard to Bulgaria and Servia; but in the same month the Turkish Ambassador at this Court communicated to me a despatch from the Porte begging that steps might be taken to carry out the provisions of the IXth Article of the Treaty, and I accordingly authorized Her Majesty's Ambassador at Constantinople, on the 31st of that month, to join with the Representatives of the other Signatory Powers in the consideration of the subject.

The view held at that time by the Russian Government was that the case of Servia and Roumania before the Turco-Russian war would furnish a precedent for the assessment of the tribute, and that the assignment of Bulgaria's share of the debt could not take place until the total debt of Turkey was declared.

I informed the Russian Ambassador, on the 19th October, 1881, that in the opinion of Her Majesty's Government the first step to be taken was that the Porte should invite the Representatives of the Powers at Constantinople to proceed with the discussion and settlement of the two questions, but no progress towards their solution has hitherto been made, and Her Majesty's Government cannot conceal from themselves that unless the Powers are prepared to give their support to the Turkish Government, the matter is likely to be indefinitely delayed.

It appears to Her Majesty's Government to be of great importance that all outstanding questions under the Treaty of Berlin should be promptly and finally disposed of, and that the Power immediately interested in their settlement should not be allowed to appeal in vain to the Signatory Powers for their co-operation in procuring such settlement. It is manifestly undesirable that the Powers should appear to insist only on the fulfilment of those conditions of the Treaty which imposed sacrifices upon Turkey, whilst remaining indifferent to the execution of the Articles which were intended to secure to her some compensation.

Her Majesty's Government believe that as soon as a disposition is shown by the Powers to proceed with the questions of the tribute and of the share of the debt, they can be settled at Constantinople without much difficulty, if the Porte and the

* Also to Sir A. Paget (No. 36), Sir E. Thornton (No. 38), Sir H. Elliot (No. 43), and Lord Ampthill (No. 72).
† No. 1.

countries concerned will furnish certain data from which an estimate made be made of the amounts to be claimed.

The demarcation of the frontier of Montenegro is still incomplete, but the amount of territory in dispute is not so large as materially to affect the question of her share of the debt.

The case of Greece may require to be treated separately, as not coming under the Treaty of Berlin, but she also is bound, under the Xth Article of the Convention of May 1881, to bear a part of the debt proportionate to the revenues of the territories ceded to her.

I have to request you to communicate with the Government to which you are accredited on the subject of this despatch, and to invite them to join Her Majesty's Government in taking steps for the settlement of these questions without further delay.

I am, &c.
(Signed) GRANVILLE.

No. 5.

Earl Granville to Mr. Wyndham.

(No. 47.)
Sir, *Foreign Office, February* 15, 1883.

I TRANSMIT to you copy of a despatch from the Turkish Government which was communicated to me by the Turkish Ambassador on the 23rd ultimo,* in which attention is called to the questions of the Bulgarian tribute, and of the share of the Ottoman Public Debt to be borne by the Principality, Servia, Montenegro, and Greece, all of which are still awaiting settlement.

I have addressed the accompanying Circular despatch to Her Majesty's Ambassadors at Paris, Vienna, Berlin, Rome, and St. Petersburgh,† requesting them to communicate with the Powers parties to the Treaty of Berlin and to the Turco-Greek Convention of May 1881, with a view to the execution of those Articles which deal with the points raised in Aarify Pasha's note.

I am, &c.
(Signed) GRANVILLE.

No. 6.

Mr. Drummond to Earl Granville.—(Received February 21.)

(No. 15 ?)
(Telegraphic.) *Vienna, February* 20, 1883.

YOUR Lordship's despatch No. 43 of the 13th instant.

Austrian Minister for Foreign Affairs agrees entirely. Austrian Government will be happy to join Her Majesty's Government and the other Signatory Powers in obtaining a settlement of the question of tribute due to Turkey.

No. 7.

Mr. Wyndham to Earl Granville.—(Received March 5.)

(No. 136.)
My Lord, *Constantinople, February* 26, 1883.

WITH reference to the Earl of Dufferin's despatch No. 165 of the 6th March, and to my No. 1095 of the 3rd December, I have the honour to inclose copy of a despatch which I have received from Her Majesty's Consul-General at Philippopoli, in which he transmits to me the three following documents bearing upon the financial state of Eastern Roumelia:—

1. An Act passed last Session by the Provincial Assembly with a view of effecting a reduction of the annual tribute due to the Porte.

2. A Report upon the above Act drawn up by the Eastern Roumelian Director of Finance.

3. A Report upon the Budget for 1883-84 by the Director of Finance.

* No. 1. † No. 4.

Captain Jones further states that steps are being taken to obtain, if possible, the sanction of the Porte to the Act reducing the provincial tribute.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure 1 in No. 7.

Consul-General Jones to Mr. Wyndham.

Philippopoli, February 15, 1883.

Sir,

IN my despatch of the 20th November last, I had the honour to forward to you M. Jacquin's Statement of the financial situation of this province.

I transmit herewith the following papers bearing on the same subject:—

1. An Act passed by the Provincial Legislature during its last Session, in accordance with the power presumably granted it by Article 495 of the Organic Statute cancelling Article 1 of the 9th Annexe to the same (which fixes at £T. 240,000 the sum due as annual tribute to the Porte), and proposing that for the future three-tenths of the net provincial revenue be paid under this head, as laid down in Article 16 of the Organic Statute.

2. Report of the Finance Director on the above project, stating in detail the facts and figures on which the Provincial Assembly has based its Resolution.

3. A subsequent Report by the same on the rectified Budget for the coming financial year, and on the general financial situation, stating the motives which have influenced the Assembly in modifying the Estimates originally proposed by him.

The above Statements have all been recently submitted to the Porte, with the hope that, on mature consideration of the same, it will forthwith give its sanctionand the force of law to the Act above mentioned.

I have, &c.
(Signed) HENRY M. JONES.

Inclosure 2 in No. 7.

Act passed by the Provincial Legislature reducing the amount paid as Tribute to the Porte.

LOI pour substituer le paragraphe 1er de l'Annexe No. 9 du Statut Organique votée dans la séance du $\frac{8}{20}$ Décembre, 1882.

Article 1er. Les revenus annuels de la Roumélie Orientale, exception faite des revenus réservés à l'Empire, des sommes allouées pour compte étranger, et des dépenses pour la rentrée des impôts, sont évalués à £T. 600,000 pour la période des cinq années, expirant au $\frac{1}{13}$ Mars, 1883.

Art. 2. Sur ces revenus et conformément à l'Article 16 du Statut Organique, £T. 180,000 sont annuellement prises à l'Administration Financière de la province pour être remise au Gouvernement Impérial. Les avances se font mensuellement. Au 1er de chaque mois (v. s.) une somme de £T. 15,000 est payée à la Banque Impériale Ottomane comptant pour le mois précédent.

Art. 3. Tous les cinq ans, l'évaluation des revenus, telle qu'elle est prévue par l'Article 1er, sera modifiée selon les résultats acquis par les exercices des cinq dernières années. Le tribut provincial sera évalué toujours sur la base de trois dixièmes, exception faite des revenus réservés à l'Empire, des sommes allouées pour compte étranger, et des dépenses que la rentrée des impôts entraîne.

Art. 4. £T. 5,000, représentant le produit annuel net des Douanes, ajoutées aux £T. 180,000 mentionnées dans l'Article 2, sont payées au Gouvernement Central Impérial, selon les dispositions de l'Article 3.

Art. 5. Le Gouverneur-Général, ensemble avec son Conseil Privé, a le droit, après avis du Comité Permanent, de prendre les mesures de Trésor nécessaires, afin de faire face régulièrement aux avances mensuelles établies par l'Article 3. L'intérêt et les dépenses, à provenir de cette opération financière, seront supportés par le fond de réserve.

Art 6. Sont annulés les six premiers Articles de l'Annexe No. 9 du Statut Organique.

Inclosure 3 in No. 7.

Finance Director's Report giving the Statistical Details on which the Provincial Assembly bases its Appeal for a Reduction of Tribute to the Porte.

POUR répondre au vœu de l'Assemblée Provinciale, exprimé par voie d'adresse conformément à l'Article 100 du Statut Organique, la Direction des Finances a l'honneur de soumettre à votre Excellence le Projet de Loi ci-annexé, portant modification du premier paragraphe de l'Annexe No. 9 du Statut Organique.

Ce Projet de Loi est accompagné du Rapport fait par M. Jacquin, Conseiller de la Direction des Finances, sur la situation financière de la province, et remis à votre Excellence le 8 Octobre dernier.

La gravité de la situation révélée par les conclusions du Rapport de M. Jacquin est la meilleure justification de la mesure dont l'initiative vient d'être prise par l'Assemblée Provinciale.

Sans revenir sur le détail des contestations faites dans ce Rapport, il est bon cependant d'en résumer rapidement les conclusions.

La situation financière de la Roumélie à la fin des quatre premiers exercices budgétaires se traduira par un déficit de £T. 290,000 environ, provenant de ce que les recettes de la province ont été évaluées par la Commission Européenne à un chiffre de beaucoup supérieur aux résultats obtenus pendant cette période.

Cette disproportion ne peut aller qu'en augmentant pendant les exercices à venir. L'Annexe No. 9 du Statut Organique a stipulé, en effet, que la redevance annuelle de la Roumélie devait être augmentée chaque année de £T. 20,000 pendant une période de cinq ans, commençant le 1er Mars, 1884, tandis que les ressources budgétaires, consistant principalement dans le produit de l'impôt foncier, ne sont susceptibles que de faibles accroissements.

Les auteurs du Statut Organique ont pris soin de laisser au Gouvernement de la province la possibilité de modifier l'évaluation des revenus, et par suite, le montant de la redevance annuelle, au moyen d'une loi provinciale, loi qui doit recevoir l'assentiment de la Sublime Porte.

La pratique ayant fait reconnaître que les évaluations de la Commission Européenne se sont éloignées très sensiblement de la réalité, la Province ne doit-elle pas faire usage de la faculté qui lui a été laissée?

Cela ne paraît pas douteux.

Les différents faits sur lesquels est basée la conclusion que nous venons de formuler étant suffisamment développés dans le Rapport du Conseiller de la Direction et dans l'Exposé des Motifs du projet de Budget de 1883-84, nous n'y reviendrons pas.

Nous nous contenterons de faire quelques remarques sur les causes de la divergence qui s'est ainsi manifestée.

Il n'est assurément pas possible d'atteindre le chiffre de £T. 800,000 fixé par la Commission Européenne, sans surcharger outre mesure la population de la province, ruinée et amoindrie par les désastres de la guerre de 1877, et l'émigration qui en a été la conséquence. N'est-il pas à craindre, en effet, qu'en présence d'impôts beaucoup plus lourds que ceux des pays voisins, la population de la Roumélie, non encore remise des conséquences funestes de la guerre, n'imite, dans un grand nombre de communes, l'exemple donné déjà par un certain nombre d'habitants, qui ont quitté le territoire de la province.

N'arriverait-on pas par là à des résultats très fâcheux au point de vue économique et tout à fait contraires à l'intention des Puissances et de la Sublime Porte, qui ont élaboré de concert le Statut Organique?

Il suffit, pour se rendre compte de l'assertion avancée plus haut, de passer en revue les principales sources de revenus du Budget Provincial en comparant les résultats qu'elles donnent actuellement à ceux qui étaient obtenus sous le régime antérieur.

Dans cette étude on ne doit pas perdre de vue que le Statut Organique a imposé d'une manière obligatoire aux communes et aux départements des dépenses qu'ils ne supportaient pas avant la guerre. Pour satisfaire à ces dépenses, il a fallu, ainsi, d'ailleurs, que l'a prescrit le Statut, abandonner aux départements et aux communes certaines ressources qui figuraient auparavant dans les Budgets des Sandjaks de Slivno et de Philippopoli; il a fallu également autoriser les Conseils Généraux et les Conseils Municipaux à prélever sur les Contributions Directes des paras additionnels.

Il faut tenir compte de toutes ces circonstances si l'on veut faire une comparaison sérieuse.

Impôt Foncier (Cadastre).

Lors de l'application de la Loi sur le Cadastre, le Gouvernement Provincial a envoyé un employé à Constantinople avec la mission de copier sur les registres officiels du Ministère des Finances les chiffres constatant le produit de la dime, pour les deux Sandjaks de Slivno et de Philippopoli, pour un certain nombre d'années précédent la guerre.

Cet employé a pu se procurer ces chiffres pour les années 1867, 1868, 1871, 1872, 1873, 1874, et 1875. En complétant ces renseignements au moyen des chiffres de l'impôt cadastral, centimes additionnels compris, pour les communes des Sandjaks d'Andrinople et de Sophia englobées dans la délimitation de la Roumélie Orientale,* et pour lesquelles nous n'avons encore pu nous procurer les chiffres de la dîme pour les années susmentionnées, on arrive à former le Tableau suivant :—

MONTANT du Produit de la Dime pour le Territoire de la Roumélie Orientale :—

	Piastres.
En—	
1867	26,777,073
1868	42,706,552
1871	31,722,987
1872	33,720,230
1873	42,262,391
1874	38,151,541
1875	54,955,163
Total	270,295,937

Prenant la moyenne de ces résultats, on arrive au chiffre de 38,600,000 environ.

	Piastres.
Or, le montant de l'impôt foncier pour le Budget de 1883-84 a été évalué dans le projet du Gouvernement à	33,000,000
En y ajoutant 10 pour cent pour les paras additionnels, départements et communes, soit	3,300,000
Total	36,300,000

on arrive à un chiffre qui présente un bien faible écart avec celui de la moyenne calculée plus haut. Or, bien des motifs justifient cet écart et permettent même de penser qu'il aurait pu être plus élevé.

Tout d'abord, encore à l'heure actuelle, beaucoup de terres cultivées avant la guerre restent incultes à cause de l'expatriation d'une partie notable de la population et de la disparition de la moitié du bétail de labour.

En second lieu, les chiffres cités plus haut comme représentant la dîme perçue avant la guerre, ne sont que des constatations d'écritures et non des recettes réelles, et l'on sait fort bien que pendant les années 1873, 1874, et 1875, celles qui ont été les plus productives en apparence, des arriérés élevés se sont produits, arriérés qui n'ont jamais été perçus ; on n'ignore pas non plus qu'en 1875 notamment beaucoup de fermiers de la dîme ayant soumissionné des chiffres trop forts, ont été ruinés.

De plus, la dîme en nature a été perçue par le Gouvernement actuel pendant les Exercices 1879, 1880, et 1881, et elle n'a produit que des chiffres beaucoup plus faibles :—

	Piastres.
En—	
1879	23,192,606
1880	28,019,915
1881	30,008,630

On doit conclure de tous ces faits que la transformation de la dîme en impôt foncier a été, au point de vue financier, une opération très avantageuse pour le Trésor Provincial, et que le chiffre de 33,000,000 inscrit dans le projet de Budget du Gouvernement est au moins assez élevé.

Béglik.—Dans les "salnamés" du Vilayet d'Andrinople et les Tableaux soumis à la Commission Européenne, le produit du Béglik était sous le régime antérieur de £ T. 110,000 environ.

Le chiffre prévu dans le projet de Budget de 1883-84 est de £ T. 100,000 ; en y ajoutant les paras additionnels, soit 10 pour cent., on arrive au même chiffre qu'avant la guerre.

* Des comparaisons faites entre ces communes et les communes voisines pour lesquelles nous avons des résultats complets, montrent que les chiffres ainsi acquis sont plutôt trop élevés qu'atténués.

Sertchime.—Sur le Tableau de l'année 1875, remis à la Commission Européenne, cette taxe est inscrite pour 271,000 p., et le produit prévu dans le projet de Budget de 1883-84 atteint 495,000 p., en y comprenant les paras additionnels.

Verghi.—Sous cette désignation, le Statut Organique comprend deux taxes :—

1. La taxe frappant les revenus tirés de la location des immeubles et tous les autres revenus en général.

2. La taxe sur les immeubles exploités par leurs propriétaires.

Avant de citer aucun chiffre, il convient de faire remarquer que ceux que nous avons pu nous procurer à Constantinople ne sont que des chiffres de constatation et par conséquent des chiffres problématiques. Ces deux impôts, par suite d'un changement de législation introduit dans les derniers exercices qui ont précédé la guerre, ont été presque doublés. Quels résultats ont-ils produit pour le Trésor Ottoman ? nous ne le savons pas ; mais il n'est pas téméraire d'avancer que près de la moitié des sommes prévues n'est pas rentrée dans les Caisses.

	Piastres.
Si l'impôt sur le revenu avait été intégralement perçu en 1876, il aurait produit une somme de	6,500,000
Le principal de cet impôt est actuellement de	4,500,000
Ce qui avec les paras additionnels (20 pour cent)	900,000
Forme un total de	5,400,000

différant peu du chiffre mentionné plus haut. L'écart paraîtra insignifiant, surtout si l'on prend en considération la perte de la fortune publique occasionnée par la guerre et par l'émigration d'une partie notable de la population.

Quant à l'impôt sur les immeubles, le chiffre de constatation pour l'année 1876 a été de 7,000,000 p. environ, somme dont plus de la moitié assurément n'a pas dû rentrer dans les Caisses du Trésor Ottoman, comme nous l'avons fait remarquer plus haut.

	Piastres.
Actuellement cet impôt produit en principal environ	1,000,000
En y ajoutant les paras additionnels (20 pour cent)	200,000
On arrive à un total de	1,200,000

Cet écart est dû à la Loi du 22 Décembre, 1879, qui a exempté de l'impôt tous les immeubles servant à l'agriculture. La dîme devant être remplacée par un impôt foncier, la taxe de 4 pour cent ne pouvait continuer à frapper les terres qui devaient être soumises à cet impôt ; il y aurait eu double emploi, et comme on l'a fait remarquer plus haut, le chiffre auquel le projet de Budget fixe le montant de l'impôt cadastral est au moins assez élevé. En outre, on doit faire observer que la Loi du 22 Décembre, 1879, a frappé de la taxe de 4 pour cent les immeubles loués qui, d'après les dispositions du Statut Organique, ne devaient payer que l'impôt du revenu.

Si des Contributions Directes on passe aux Contributions Indirectes, il est facile de se rendre compte, par la lecture de l'Exposé des Motifs du projet de Budget, des efforts qui ont été faits par le Gouvernement pour faire subir aux taxes qui en étaient susceptibles des accroissements importants destinés à augmenter les ressources du Budget sans toutefois porter préjudice ni au commerce ni à l'industrie.

Il a été tenu compte de ces diverses circonstances dans les évaluations portées au projet de Budget, et il est permis d'espérer que les résultats du prochain exercice ne s'écarteront pas beaucoup des prévisions de recettes, contrairement à ce qui a eu lieu jusqu'à présent.

Ainsi, les résultats qui auraient été donnés par l'application rigoureuse de la proportion des trois dixièmes aux recettes réelles de la province et non à des recettes présumées eussent été de :—

	£ T.
En—	
1880-81	142,981
1881-82	156,083
1882-83	177,039
1883-84	183,471

(Sans tenir compte de la réduction de la ⅛ accordée par le Statut Organique.)

Il y a bien loin de ces chiffres à la redevance de £ T. 240,000, prévue dans les Annexes du Statut, et cependant en fixant ce dernier chiffre, la Commission Européenne croyait se maintenir sensiblement au-dessous de ce que l'avenir réservait à la province.

Dans ces conditions il serait tout à fait conforme à l'équité de modifier l'Annexe

No. 9 du Statut Organique, conformément à ce qui est stipulé dans le Projet de Loi ci-annexé, c'est-à-dire, en ramenant à £T. 180,000 la redevance de la province pour une période quinquennale commençant au 1er Mars, 1883.

Encore, après cette réduction, il est facile d'établir que la province ne pourra consacrer que des sommes très minimes à des dépenses d'utilité publique profitables à l'avenir.

Chaque pays, en dehors des dépenses indispensables à la sécurité, au bon ordre, au fonctionnement régulier des Administrations, doit pouvoir, sur les ressources de son Budget ordinaire, prélever une somme assez importante pour des dépenses d'avenir, comme celles destinées à répandre l'instruction dans le pays et à mettre les routes en état de viabilité et en construisant de nouvelles; il faut aussi quelques ressources pour donner des pensions aux fonctionnaires âgés, soulager certaines misères, encourager l'agriculture, le commerce, et l'industrie.

Si ces facilités n'existent pas, la situation budgétaire peut être florissante, le Gouvernement n'éprouve aucun embarras d'argent, mais le pays végète, aucun progrès sérieux ne peut être réalisé, c'est un pays condamné.

Or, il est facile de voir qu'en Roumélie Orientale, bien que les services administratifs soient loin d'avoir reçu tous les développements prévus et même, on peut le dire, *ordonnés* par le Statut Organique, les sommes consacrées à ces dépenses d'avenir que nous avons mentionnées plus haut, s'élèvent à un chiffre bien faible.

Dans le projet de Budget présenté par le Gouvernement, elles ne dépassent pas 5,655,000 p., et ce n'est qu'en proposant de recourir à des ressources d'emprunt, que le Gouvernement a pu prévoir certains travaux publics dont la réalisation en Roumélie est d'une utilité indiscutable.

On le reconnaîtra sans peine, la faveur que la province sollicite de la Sublime Porte est indispensable à l'avenir du pays, et à ce titre la proposition que nous soumettons à l'Assemblée Provinciale ne peut que recevoir un bon accueil auprès du Gouvernement de Sa Majesté le Sultan.

Si cette concession est accordée à la Roumélie, le Gouverneur-Général devra tenir de l'Assemblée les pouvoirs nécessaires pour payer régulièrement à la Sublime Porte la nouvelle redevance; c'est le but qui sera atteint par les dispositions de l'Article 5 du Projet de Loi; nous avons même proposé de rendre mensuels les payements qui jusqu'ici ne devaient être effectués que trimestriellement. C'est aussi dans le même ordre d'idées que, par l'Article 6, nous proposons à l'Assemblée de déléguer au Gouverneur-Général et au Comité Permanent les pouvoirs nécessaires pour régulariser la situation des arriérés.

Qu'il nous soit permis, en terminant ce Rapport, d'insister à nouveau sur ce fait que les impôts actuels, dans lesquels il faut nécessairement comprendre ceux qui sont destinés à faire face aux dépenses communales et départementales, prescrites par le Statut,* sont très lourds, qu'ils constituent une entrave sérieuse aux progrès de l'agriculture, et que cependant, même avec la concession que nous sollicitons, il sera bien difficile de les réduire. Une augmentation de ces charges ne manquerait pas, nous en avons la conviction intime, de généraliser le mouvement d'émigration vers les provinces du nord, qui s'est déjà manifesté sur plusieurs points.

Nous avons le ferme espoir que le Gouvernement Impérial saura éviter à la Roumélie ces fâcheuses éventualités et accueillera favorablement nos propositions.

Inclosure 4 in No. 7.

Report of the Finance Director accompanying the rectified Budget of 1883-84.

J'AI l'honneur de soumettre à votre Altesse le projet du Budget de l'Exercice 1883-84, tel qu'il a été fixé par l'Assemblée Provinciale dans sa dernière Session; il s'élève aux chiffres suivants :—

	Piastres.
Dépenses ordinaires	67,902,409
„ extraordinaires	4,294,100
Total des dépenses	72,196,509
Recettes ordinaires	69,826,000
„ extraordinaires	1,720,000
Total des recettes	71,546,000

* D'après les données que la Direction des Finances a pu recueillir, les charges départementales et communales, auxquelles l'impôt est appelé à faire face, s'élèvent approximativement à 22,000,000 piastres.

ce qui fait ressortir un déficit de 650,509 piastres (110 = 1*l.*), qui sera vraisemblablement couvert, comme il est expliqué plus loin, par les annulations de crédit en fin d'exercice.

Pour se rendre compte de l'esprit dans lequel l'Assemblée a dirigé ses travaux, pour arriver à l'équilibre du Budget—qui se présentait dans des conditions défavorables à cause de la situation précaire des finances de la province—il suffit de comparer les crédits votés pour l'exercice financier 1883-84 avec ceux qui ont été accordés pour l'exercice en cours.

TABLEAU COMPARATIF.

	1882-83.	1883-84.	Différend.	
			Moins.	Plus.
	Piastres.	Piastres.	Piastres.	Piastres.
Tribut	24,500,000	18,500,000	6,000,000	..
Gouverneur-Général et sa Chancellerie ..	1,120,200	1,135,900	..	15,700
Assemblée Provinciale	417,088	416,088	1,000	..
Fonds de réserves et dépenses imprévues..	800,000	1,500,000	..	700,000
Direction—				
Finance	9,201,000	7,203,034	1,997,966	..
Intérieur	5,413,800	4,390,000	1,023,800	..
Justice	6,216,300	5,636,000	580,300	..
Travaux Publics	7,234,840	8,492,134	..	1,257,294
Instruction Publique	5,586,000	5,438,400	147,600	..
Milice, gendarmerie	20,259,125	19,484,953	774,172	..
Total	80,749,253	72,196,509	10,525,738	1,972,994
			1,972,994	
			8,552,744	

On voit d'après ce Tableau que le chiffre de la redevance de la Roumélie Orientale a été diminué de £T. 60,000, dans le projet de Budget. Cette réduction a été opérée en conformité des dispositions d'un Projet de Loi voté par l'Assemblée et qui sera soumis prochainement à l'approbation de la Sublime Porte. Pour connaître les motifs de cette résolution il suffira de se reporter à l'adresse présentée au Gouvernement par l'Assemblée l'invitant, aux termes de l'Article 100 du Statut Organique, de rédiger un pareil Projet de Loi, et à l'Exposé des Motifs qui accompagne ce projet.

Quant aux dépenses des différentes Directions, on remarquera que d'importantes réductions ont été opérées. Elles proviennent presque exclusivement de la décision que l'Assemblée a prise, de réduire dans de notables proportions les traitements des fonctionnaires, et la solde des officiers et soldats. Si, pour la Direction de l'Instruction Publique, la diminution des crédits est peu importante, et si pour la Direction des Travaux Publics il y a eu une augmentation de crédits, on n'y peut voir que le désir de l'Assemblée de favoriser spécialement ces deux Directions, qui importent le plus à l'avenir de la province. Et malgré ce qui a été fait à cet égard, on peut affirmer hautement qu'il est très regrettable que la situation financière n'ait pas permis à l'Assemblée Provinciale de faire davantage.

Une augmentation importante a été votée pour les fonds de réserve et de dépenses imprévues. Cette augmentation est motivée par les résultats déjà acquis de l'exercice courant, qui ont demontré que les crédits votés pour l'Exercice 1882-83 étaient sensiblement trop faibles. On a été, en effet, obligé de recourir à des crédits supplémentaires pour augmenter les fonds primitivement votés. Avec l'augmentation de 700,000 piastres, accordée par l'Assemblée, il est a présumer qu'il sera facile de faire face aux dépenses dont la nécessité ne se révèle qu'en cours d'exercice.

RECETTES.

Revenus.	1883–84.	1882–83.
	Piastres.	Piastres.
Impôt Foncier (Cadastre)	32,000,000	33,000,000
Béglik (droit sur les moutons, chèvres)	10,000,000	8,500,000
Sertchin (droit sur les pourceaux)	450,000	550,000
Impôt Foncier ne servant pas à l'agriculture	1,000,000	4,000,000
Impôt sur le revenu	4,300,000	6,000,000
Monopole du sel	4,500,000	7,500,000
Monopole des poids et mesures	500,000	..
Droits sur le tabac	5,350,000	4,750 000
Droits sur les vins et spiritueux	3,500,000	3,200,000
Douanes..	1,750,000	1 500,000
Timbres	1,000,000	2 350,000
Dîmes de la chaux, du bois, et soie	900,000	1,125,000
Droits de pêche	175,000	155,000
Revenus des terres de la province	200,000	250,000
Impôt perçu sur les troupeaux nomades	200,000	200,000
Amendes et confiscations	100,000	80,000
Agio, produits accidentales [*sic*]	320,000	149,000
Direction de l'Intérieur	431,000	480,000
Direction de la Justice	1,750,000	1,506,600
Direction des Travaux Publics—		
Postes et Télégraphes	820,000	1,000,000
Forêts, &c.	250,000	650,000
Imprimerie provinciale	330,000	200,000
Revenus extraordinaires	1,720,000	1,850,000
Total	71,516,000	78,995,600

Les évaluations de recettes ont été l'objet d'une attention toute particulière de la part de l'Assemblée. C'est, en effet, du soin apporté à cette partie des Budgets que dépend leur équilibre, et par voie de conséquence immédiate la situation financière d'un pays est intimement liée au procédé suivi dans cette partie de la confection d'un Budget.

Les illusions et les mécomptes qui se sont produits pour les premiers exercices financiers de la province n'ont pas d'autres causes. Aussi s'est-on efforcé cette année de ne faire figurer en recette que des chiffres qui s'éloignent vraisemblablement fort peu de la vérité.

En règle générale, les résultats constatés dans les écritures de la comptabilité pour l'Exercice 1881–82 qui vient de clore au 31 Juillet dernier, ont servi de base aux évaluations. Il a été cependant apporté quelques dérogations à cette règle, mais seulement toutes les fois que—soit au moyen de constatation, soit en vertu des circonstances particulières—on a acquis la certitude que l'Exercice 1883–84 produirait des résultats différents.

Pour montrer de quelle manière l'Assemblée a entendu l'application de ces principes, il suffit de passer en revue les principaux impôts.

Impôt Cadastral.

Les enregistrements des Commissions Cadastrales pour l'exercice courant, ont donné un chiffre total de 33,703,108 piastres. Pour tenir compte des réductions qui seront accordées aux communes, par les Tribunaux du Contentieux administratif, et de celles qu'il conviendra de faire subir aux contingents des départements de Slivno et de Bourgas, qui sont trop élevés et ont provoqué des plaintes très vives, surtout de la part de la population Mussulmane, l'Assemblée Provinciale n'a inscrit qu'un chiffre de 32,000,000 piastres. L'écart, on le voit, n'est pas très important.

En vertu d'une décision de l'Assemblée, le Gouvernement, d'accord avec le Comité Permanent, devra également procéder à une nouvelle répartition de cet impôt entre les départements. Les Commissions Cadastrales feront la répartition entre les communes des nouveaux contingents départementaux, et l'on cherchera de cette manière à égaliser dans les limites du possible, les charges des contribuables.

Impôt sur les Moutons et les Chèvres (Béglik).

D'après les listes dressées pour l'exercice en cours [*sic*] s'élève à 9,214,371 piastres. Cet impôt, en raison de la réconstitution progressive du bétail de la province, présente

chaque année de plus values. L'Assemblée a tenu compte de ce fait, en portant l'évaluation à 10,000,000 piastres.

L'Impôt Foncier et sur le Revenu.

Ces deux branches de revenus ont encore une assiette trop défectueuse pour être susceptibles d'une augmentation d'impôt, et pour n'avoir aucun mécompte, l'Assemblée ne s'est pas écartée sensiblement des dernières constatations. Les deux impôts doivent être remaniés. La question est à l'étude et la Direction des Finances s'efforcera de se mettre en mesure de présenter à l'Assemblée des projets à cet égard lors de la prochaine Session.

Si la Direction n'a pas cru devoir soumettre des projets sur ces impôts à la dernière Session, c'est que la question n'était pas encore suffisamment étudiée, et qu'elle n'a pas voulu présenter des projets élaborés d'une manière trop hâtive. Les résultats que donnera l'enregistrement des contribuables qui s'achève en ce moment permettront sans aucun doute de hâter la solution de la question.

Droit sur le Tabac.

Le droit de transport sur le tabac, qui avait été évalué en 1882–83 au chiffre de 1,400,000 piastres, n'a été porté dans le projet de Budget qu'au chiffre de 1,000,000, les recettes de l'Exercice 1881–82 n'ayant atteint que 999,292 piastres. Il y a tout lieu d'espérer que les mesures prises dernièrement en vue de la répression de la fraude amèneront des plus values sur ce chapitre, mais l'Assemblée n'a pas voulu escompter l'avenir de peur de se préparer des mécomptes. La décision qu'elle a prise à cet égard sur les impôts en général est une précieuse garantie pour l'avenir des finances de la province.

Quant aux droits de banderolles, en tenant compte de ce que les premiers mois de l'exercice courant ont donné des accroissements de recettes sensibles, qui permettent d'espérer pour l'année courante un produit supérieur à 3,000,000 piastres, et du Projet de Loi voté, d'après laquelle les droits actuellement perçus par ocque seront, à partir de l'Exercice 1883–84, acquittés par kilogramme, on a pu porter l'évaluation à 4,000,000 piastres.

Droit de Préparations de Boissons.

Le droit sur l'alcool a été porté de 10 à 12 pour cent par l'Assemblée, qui a en même temps décidé que, à partir du 1er Mai, 1883, les vins et les alcools exportés seraient exonérés du droit de fabrication. En tenant compte de ces diverses circonstances, l'Assemblée a porté l'évaluation du produit de ce droit de 2,200,000 à 2,500,000 piastres.

Monopole du Sel.

On peut remarquer également, dans le projet de Budget, une forte réduction dans le produit du sel. Elle provient de ce que les recettes prévues en 1882–83 avaient été exagérées et surtout de ce que l'Assemblée a décidé d'apporter une modification importante dans le mode d'administration de ce monopole. Les dépôts de sel qu'avaient été créés sur différents point de la province ont été supprimés, et désormais la vente du sel par l'Administration ne se fera plus qu'à Anchiato. La diminution du revenu est donc compensée par une diminution de dépense au moins égale.

D'après ces divers exemples, il est facile de se convaincre que l'Assemblée Provinciale a tenu avant tout à voter un projet de Budget sincère, qui ne sera pas destiné comme les précédents, à se trouver en complet désaccord avec la réalité. Quand cela lui a été possible elle a augmenté les impôts, et a apporté de notables économies dans les dépenses.

La Sublime Porte ne peut qu'approuver le retour à des saines pratiques financières, et nous osons espérer qu'elle daignera donner sa sanction à ce projet de Budget.

Ce projet présente un déficit de 650,509 piastres mais dont il n'y a pas lieu, à notre avis, de se préoccuper. Dans les Budgets où l'on n'inscrit ni fonds de réserves ni fonds de dépenses imprévues, pour parer aux dépenses qui surviennent en cours d'exercice, on admet comme règle que les annulations de crédits doivent faire face aux crédits supplémentaires. Aux termes du Statut Organique les dépenses nouvelles ou additionnelles non prévues au Budget doivent être imputées sur les fonds de réserve et de dépenses imprévues. Cette année ces fonds ont été suffisamment dotés. Il est donc certain que les annulations de crédit couvriront le déficit mentionné plus haut.

Nous proposons donc à la Sublime Porte d'adopter telles quelles les résolutions de l'Assemblée.

No. 8.

Mr. Wyndham to Earl Granville.—(Received March 26.)

(No. 157.)
Constantinople, March 17, 1883.

My Lord,

I HAVE the honour to transmit to your Lordship herewith an article which has appeared in the "Eastern Express" respecting the proposed conversion of the Turkish debt, containing information which I have every reason to believe is correct.

Your Lordship will observe that what is intended is rather a consolidation of existing loans than a conversion entailing any change in the position of the bondholders, or in the rates of interest which they at present receive.

I am informed that his Highness the Grand Vizier is greatly in favour of this scheme, and that he has promised the Council of the Administration of the Public Debt to do all he can to aid them in carrying it through.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure in No. 8.

Extract from the "Eastern Express" of March 13, 1883.

THE CONVERSION OF THE TURKISH DEBT.—An impression has prevailed to some extent that a "financial operation," or, in other words, a loan, was attached to the conversion of the Turkish debt, which is known to be in course of preparation by the Council of the Public Debt, in concert with the European Syndicates. As this impression is erroneous, it may be useful to show what the conversion really is, and what is its stage of advancement, so that no misconception can exist on the subject. After the promulgation of the Decree of the 20th December, 1881, the idea of bringing all the different classes of Turkish bonds to a uniform shape was put forward by the French Syndicate and opposed by the English Syndicate. The French Syndicate favoured the conversion on the ground that it would simplify business in Turkish stocks, which had been reduced by actuarial calculation to a common level as regards dividend, if the bonds were also reduced to a common denomination, so that the Turkish stock in the market would represent the compromise of the 20th December, 1881, instead of the previous condition which that compromise had set aside. The objection of the English Syndicate was that, by relinquishing the original bonds, there would be relinquishment also of the special hypothecations which secured all the English loans and some of the French loans. There was a good deal to be said on both sides, and it was finally agreed that the conversion should be optional, and that the old bonds of those who converted should remain in deposit as being in the spirit of the 20th Article of the Decree, which provides for the revival of the special hypothecations in the event of rupture or suspension of the arrangement. This was notified to the bondholders before the payment of the first dividend, and they were requested, when presenting their bonds to receive the dividend, to declare whether they desired that they should be stamped for conversion or registered in their original form. The result of this *plébiscite* was that bonds representing about 50 millions out of the 92¼ millions of reduced stock were stamped for conversion; about 8 millions were registered for preservation, and the holders of the remainder made no election. As there was a distinct majority in favour of conversion, the Syndicates proceeded to make the necessary arrangements. A form of bond has been prepared, and will be ready for delivery in September, in exchange for the old bonds, when the dividend is paid. Then, those bondholders who have not declared either for conversion or registration will be called upon to do so, under penalty of not receiving their dividends until they have elected one way or the other.

The new bonds include all the funded debt of the Empire, excepting the Roumelian Railway bonds, and represent a total capital of 92,225,827*l.* This amount is composed of four series. Series A includes the balance of the loans of 1852 and 1868, with their due proportion of Ramazan bonds and overdue coupons, representing a capital of 7,183,872*l.* Series B comprises the Loans of 1860, 1863-4, and 1872, and

represents a capital of 10,241,018*l.* Series C includes the Loans of 1865, 1869, and 1873, and makes a capital total of 30,822,511*l.*, and Series D consists of the General Debt, 43,968,396*l.* These Series correspond with Groups I, II, III, and IV, specified in Article 12 of the Decree of the 20th December, 1881, and the subdivision is preserved in the converted bonds to mark the proportion in which the sinking fund is distributed. In point of interest all the bonds stand on perfect equality. Four-fifths of the ceded revenues, exclusive of the proportion of the debt which may be allotted to Bulgaria, Servia, Greece, and Montenegro, are distributed equally between the bondholders of all the four series, up to 4 per cent., which is the maximum of interest. The remaining fifth constitutes the sinking fund, and the different series take rank upon this fund, in conformity with the terms of the Article of the Decree above cited.

This is the whole story of the conversion. It involves no "soult" or trap of any kind for bondholders, nor any abandonment of rights under special hypothecations which Article 20 of the Decree secures. There is manifest convenience to bondholders in the equality which this conversion establishes. At present the current market prices are influenced by the favour which speculation shows to one or other class of bonds. For instance, General Debt and the bonds of the 1873 Loan stand in the market at about a level. But, intrinsically, under the terms of the arrangement, 1873 bonds are worth 20 per cent. more than General Debt bonds. This constitutes a strong argument in favour of the conversion. Against it may be urged the fact that as all the bonds of the Public Debt would, on conversion, come into one category, the speculation in the General Debt would thus have rather more than double the present amount of bonds to reckon with, but this is a very transitory evil. The Unified Stock would be a better gambling *fiche* than the present Five per Cents. are, because there would be no rivals in the same field of speculation, and because the certainties attaching to the stock give it a stable value, and the possibilities, elasticity.

No. 9.

Earl Granville to Sir E. Thornton.

(No. 94.)
Foreign Office, March 26, 1883.

Sir,

WITH reference to your despatch No. 50 of the 27th ultimo, I have to request your Excellency to inform M. de Giers that Her Majesty's Chargé d'Affaires at Constantinople has received instructions to confer with the Representatives of the other Powers signatory to the Treaty of Berlin, as soon as they shall have been similarly authorized, with a view to the settlement of the question of Bulgaria's obligations to the Porte, and Her Majesty's Government trust that there will be no delay in bringing this matter to a conclusion; they will, on their part, be quite ready to abide by the opinion which the Powers may express on the point when it has been discussed by the Ambassadors.

As regards M. de Giers' remark that the liabilities of Bulgaria to Russia and this country in respect of the occupation and of the Varna Railway, must be taken into consideration in calculating the amount of tribute to be paid by her, I have to observe that this calculation is, by the terms of the Treaty, to be based on the mean revenue of the Principality.

I am, &c.
(Signed) GRANVILLE.

No. 10.

Mr. Bramston to Sir J. Pauncefote.—(Received March 28.)

Downing Street, March 26, 1883.

Sir,

WITH reference to the correspondence noted in the margin* respecting the payment of certain Turkish military pensioners resident in Cyprus out of the tribute, I am directed by the Earl of Derby to acquaint you that after discussion the Lords Commissioners of the Treasury have withdrawn any objection that they may have had to the deduction of these payments from the tribute; and I am now to suggest that the Turkish Government should be referred to the *note verbale* of the 19th May,

* Colonial Office, May 29; to Colonial Office, June 12, 1882.

1879 (inclosed in the Colonial Office letter of the 29th May, 1882), and informed that the pensioners in question have been paid up to the 31st March, 1882, and the amount, 296*l.*, deducted from the tribute; and that orders have been issued to pay them up to the 30th instant, and deduct the amount from the tribute, and that such payments will continue to be made to them and be deducted from the tribute from time to time as they fall due, in compliance with the request contained in the *note verbale* of the 19th May, 1879, unless the Sublime Porte prefers to make some arrangements for paying the pensioners separately itself.

I am, &c.
(Signed) JOHN BRAMSTON.

No. 11.

Earl Granville to Mr. Wyndham.

(No. 114.)
Sir, *Foreign Office, April 6*, 1883.

ON the 19th May, 1879, the Sublime Porte addressed a *note verbale* to Her Majesty's Embassy at Constantinople, in which it was requested that certain pensions might be paid to four retired military officers of the Turkish army living in Cyprus, and that the amount should be deducted annually from the surplus revenue.

On the 10th May, 1882, I was informed by the Secretary of State for the Colonies that by an oversight these payments had not been annually deducted, and that besides the pensions there was a further sum of 70 piastres for a legacy which had been paid into the Treasury before the British occupation, and afterwards repaid by the High Commissioner of Cyprus to the lawful heir, who had subsequently made a claim.

The total sum due to the Cyprus Government is 35,512 piastres, equivalent to 296*l.*

I inclose copy of a further letter from the Colonial Office on this subject;* and I have to instruct you to refer the Turkish Government to their *note verbale* of the 19th May, 1879, and to inform them that the pensioners have been paid up to the 31st March last year, and the amount, 296*l.*, which includes the repayment of the legacy, will be deducted from the surplus revenue. You will also state that the pensions paid on the 30th ultimo will be deducted in like manner, and that such payments will continue to be made and deducted from the surplus revenue from time to time as they fall due, in compliance with the above-mentioned request of the Porte, unless they prefer to make some arrangement for paying the pensioners separately.

I annex, for your information, copies of previous correspondence with the Colonial Office on this question.†

I am, &c.
(Signed) GRANVILLE.

No. 12.

Mr. Meade to Sir J. Pauncefote.—(Received May 2.)

(Confidential.)
Sir, *Downing Street, April 30*, 1883.

ON the 13th November last Mr. Wyndham reported to Earl Granville that, in pursuance of instructions (agreed upon between the Foreign Office and this Department), he had requested the Turkish Minister for Foreign Affairs to inform him whether it was the intention of the Turkish Government to send for and take away the salt which is part of the surplus revenue of Cyprus, and which Her Majesty's Government propose to pay in kind.

The stock of salt in the hands of the Cyprus Government is now below the total of arrears due to the Turkish Government, and, if that Government were to demand it, it would be necessary to raise an additional quantity during the coming season. In these circumstances, the silence of the Porte places Lord Derby in a somewhat embarrassing position, as he does not wish to give the Turkish Government ground for saying that it has been unfairly treated, and at the same time he wishes to spare the island all needless expense. In these circumstances, he thinks that the best course

* No. 10.
† Colonial Office, May 20, inclosing *note verbale* of May 19; to Colonial Office, June 12, 1880.

would be for Her Majesty's Representative to call attention, in a brief and formal manner, to the communication of last November from Mr. Wyndham; but since, his Lordship need hardly say, he has no desire to force the salt on the Turkish Government, to the loss of Cyprus, he does not consider that the British Representative need actually use pressure on the Turkish Government to give an answer. If the Turkish Government still remains silent, he will not feel bound to go to any further expense in the matter, as, after a renewal of the inquiry, the consequences of not answering it must plainly rest with the Turkish Government.

I am, &c.
(Signed) R. H. MEADE.

No. 13.

Earl Granville to the Earl of Dufferin.

(No. 170.)
My Lord, *Foreign Office, May 15*, 1883.

WITH reference to Mr. Wyndham's despatch No. 1034 of the 13th November last, I transmit herewith copy of a letter from the Colonial Office respecting the removal of the salt to which the Turkish Government is entitled as part of the surplus revenue of Cyprus.*

I have to request your Excellency to remind the Porte of the communication made by Mr. Wyndham, as reported in his above-mentioned despatch; but, as you will perceive from the Colonial Office letter, it is not necessary that you should press for an answer.

I am, &c.
(Signed) GRANVILLE.

No. 14.

Aarifi Pasha to Musurus Pasha.—(Communicated to Earl Granville by Musurus Pasha, June 1.)

(Extrait.) *Sublime Porte, le 24 Mai*, 1883.

VOTRE Excellence sait que l'affaire de la fixation de l'excédent des revenus de Chypre reste encore en souffrance. La Commission qui avait été précédemment instituée à cet effet au Ministère Impérial a résolu certaines questions en litige; mais il en est d'autres qui n'ont pas encore reçu une solution par suite du refus persistant du Gouvernement Britannique de faire droit à nos justes réclamations. Ainsi les autorités de Chypre veulent défalquer du dit excédent certaines dépenses locales qui ne sauraient en aucun cas rester à notre charge. Mon Département n'a pas manqué de faire part à l'Ambassade d'Angleterre à Constantinople des raisons qui s'y opposent; mais celle-ci nous a répondu par un refus constant, en se prévalant des instructions conformes de son Gouvernement.

En présence de cet état de choses, il ne nous reste qu'à avoir recours au Cabinet de St. James pour demander la solution de ces questions. Je prie votre Excellence de vouloir bien faire auprès de Lord Granville les démarches nécessaires à ce sujet.

No. 15.

Musurus Pasha to Earl Granville.—(Received June 2.)

Milord, *Ambassade Impériale Ottomane, Londres, le 1er Juin*, 1883.

JE n'ai pas manqué de communiquer au Ministère Impérial des Affaires Étrangères la note que votre Excellence m'a fait l'honneur de m'adresser en date du 18 Octobre dernier, au sujet des avances effectuées par l'Angleterre et la France pour le service de l'Emprunt Garanti de 1855.

Il résulte de la réponse que j'ai reçue de son Altesse Aarifi Pacha que le Ministère Impérial des Finances, auquel a été communiquée la note précitée de votre Excellence, maintient, d'après le Tableau dont j'ai l'honneur de joindre ici la traduction, que le montant des avances, effectuées par les deux Gouvernements pour le service du susdit emprunt jusqu'au 1er Février, 1882, est de 203,809*l.* 2*s.* 4*d.*, et que, pour se fixer sur

* No. 12.

la différence qui existe entre cette somme et celle de 266,014*l.*, indiquée dans la note susmentionnée, il désire que j'obtienne du Gouvernement de Sa Majesté la Reine et lui fasse parvenir un Tableau détaillé du service du dit emprunt à partir du 1er Avril, 1879, ainsi qu'un Tableau explicatif des revenus accumulés de Chypre, dont le Ministère Impérial des Finances n'est pas en mesure d'admettre le montant, tel qu'il est indiqué dans la note de votre Excellence, par suite de la divergence d'opinion subsistante sur ce point.

Quant aux rançons payées par le Gouvernement de Sa Majesté la Reine pour la délivrance du Colonel Synge et de Mr. Suter, le Ministère Impérial des Finances regrette qu'il lui soit impossible de consentir qu'elles soient déduites sur les revenus de Chypre.

Je viens, par conséquent, prier votre Excellence de vouloir bien me mettre à même de transmettre au Gouvernement Impérial les Tableaux demandés par le Ministère Impérial des Finances.

J'ai, &c.
(Signé) MUSURUS.

Inclosure in No. 15.

(Traduction du Turc.)

TABLEAU détaillé des Échéances de l'Emprunt de 1855 et des Sommes du Tribut Égyptien remises en Payement directement d'Égypte.

Échéance du 1er Février, 1880.

	£	s.	d.	£	s.	d.
Montant des intérêts	68,032	0	0			
Intérêt sur l'amortissement des quatre échéances arriérées	8,272	0	0			
	76,304	0	0	40,304	0	0
Somme payée sur le tribut	36,000	0	0			
	40,304	0	0			

Échéance du 1er Août, 1880.

Montant des intérêts	68,032	0	0			
Intérêt sur l'amortissement des quatre échéances arriérées	8,272	0	0			
Commission sur 8,272*l.* sus-mentionnés	124	1	7			
Commission sur les intérêts	1,020	9	7			
	77,448	11	2	41,448	11	2
Somme payée sur le tribut	36,000	0	0			
	41,448	11	2			

Échéance du 1er Février, 1881.

Montant des intérêts	65,754	0	0			
Intérêt sur l'amortissement des cinq échéances arriérées	10,550	0	0			
	76,304	0	0	40,304	0	0
Somme payée sur le tribut	36,000	0	0			
	40,304	0	0			

Échéance du 1er Août, 1881.

Montant des intérêts	65,754	0	0			
Intérêts sur l'amortissement des cinq échéances arriérées	10,550	0	0			
	76,304	0	0			
Commission sur 10,550*l.* sus-mentionnés	158	5	0			
Commission sur les intérêts	986	6	2	41,448	11	2
	77,448	11	2			
Somme payée sur le tribut	36,000	0	0			
	41,448	11	2			

Échéance du 1er Février, 1882.

Montant des intérêts	63,384	0	0			
Intérêt sur l'amortissement des cinq échéances arriérées	12,920	0	0			
	76,304	0	0	40,304	0	0
Somme payée sur le tribut	36,000	0	0			
	40,304	0	0			
Total				203,809	2	1

No. 16.

Mr. Wyndham to Earl Granville.—(Received June 4.)

(No. 328.)

My Lord, *Therapia, May 28, 1883.*

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 179 of the 15th instant, and to inform your Lordship that Sir A. Sandison, First Dragoman to Her Majesty's Embassy, by my desire, reminded Aarify Pasha, Turkish Minister for Foreign Affairs, on the 26th instant, of the communication I made to him on the 11th November last respecting the salt to which the Turkish Government is entitled as part of the surplus revenue of Cyprus.

Sir A. Sandison did not, in accordance with your Lordship's orders, press for an answer; and he informs me that Aarify Pasha appeared to be unacquainted with the subject.

I have, &c.
(Signed) HUGH WYNDHAM.

No. 17.

Sir J. Pauncefote to Sir R. Lingen.

Sir, *Foreign Office, June 15, 1883.*

I AM directed by Earl Granville to transmit copy of a note and its inclosure from the Turkish Ambassador,* in which his Excellency requests that he may be supplied with a detailed statement showing the amounts required for the service of the 1855 Loan since the 1st April, 1879, and also with an explanatory Table of the accumulated revenues of Cyprus, the Turkish Government maintaining that the payments on account of the Loan up to the 1st February, 1882, should be 203,809*l.* 2*s.* 4*d.*, instead of 266,014*l.*, the amount advanced by the British and French Governments.

His Excellency also states that the Turkish Government objects to the deduction from the Cyprus revenues of the ransoms paid for Colonel Synge and Mr. Suter.

I am to request that you will lay these papers before the Lords Commissioners of Her Majesty's Treasury, and move them to cause his Lordship to be informed of the reply which should be sent to Musurus Pasha.

I am, &c.
(Signed) JULIAN PAUNCEFOTE.

No. 18.

Sir J. Pauncefote to Sir R. Herbert.

Sir, *Foreign Office, June 16, 1883.*

I AM directed by Earl Granville, with reference to your letter of the 7th October last, to inclose an extract of a despatch from the Turkish Government, and communicated by the Turkish Ambassador on the 1st instant,† complaining of the deductions which it is proposed to make for local payments from the surplus revenues of Cyprus. I am to request that you will move the Earl of Derby to cause Lord Granville to be informed whether any decision has been come to upon this question.

I am, &c.
(Signed) JULIAN PAUNCEFOTE.

No. 19.

Sir J. Pauncefote to Sir R. Herbert.

Sir, *Foreign Office, June 21, 1883.*

I AM directed by Earl Granville to inclose copy of a note from the Turkish Ambassador,* in which his Excellency requests that he may be furnished with a detailed statement of the payments made by the Governments of England and France

* No. 15. † No. 14.

for the service of the Guaranteed Loan of 1855 since the 1st April, 1879, and also with an explanatory Table of the accumulated revenues of Cyprus.

I am to request you to inform the Earl of Derby that this application has been referred to the Lords Commissioners of Her Majesty's Treasury.

I am, &c.
(Signed) JULIAN PAUNCEFOTE.

No. 20.

Mr. Meade to Sir J. Pauncefote.—(Received June 29.)

Sir, *Downing Street, June 28, 1883.*

I HAVE laid before the Earl of Derby your letter of the 16th instant, inclosing an extract from a despatch from the Turkish Government to Musurus Pasha, complaining of the deductions made from the Cyprus Tribute.

I am to suggest that it should be explained to Musurus Pasha that no deductions have been, or will be, made by the local authorities except such as Her Majesty's Government have, after very careful consideration, decided to approve, and that if the Turkish Government will specify the deductions of which they complain, Her Majesty's Government will be ready to explain the reasons on which they have been sanctioned.

I am to observe that the general conclusions of Her Majesty's Government as to the amount of the Tribute and the deductions to be made from it were embodied in a Memorandum prepared in this Office and communicated to you in a letter of the 28th March, 1882. That Memorandum was communicated by Earl Granville to Mr. Wyndham in his despatch No. 610 of the 18th October, 1882, and Mr. Wyndham reported having communicated it to the Porte in his despatch No. 1033 of the 13th November, 1882.

Besides the deductions mentioned in the Colonial Office Memorandum referred to, one other small deduction has been made on account of certain Turkish military pensioners, whose pensions have been paid by the Cyprus Government on behalf of the Turkish Government, in accordance with a request contained in a Memorandum from the Porte to Sir H. Layard on the 19th May. That Memorandum was communicated to you in the letter from this Department of the 29th May, 1882, and more recently, on the 26th March last, a further letter was addressed to you in regard to these pensioners.

I am, &c.
(Signed) R. H. MEADE.

No. 21.

Mr. Wyndham to Earl Granville.—(Received July 5.)

(No. 417.)

My Lord, *Therapia, June 30, 1883.*

WITH reference to my despatch No. 413, Confidential, of to-day's date, I have the honour to inform your Lordship that I mentioned to the Grand Vizier to-day that I had yesterday brought to the notice of my colleagues the question of the Bulgarian tribute and debt, and of the debts to Turkey of Greece, Servia, and Montenegro; and that I asked his Highness unofficially if he would cause me to be furnished with statistics as to the revenue of Bulgaria, and of the territories ceded to the States above mentioned.

His Highness thanked me very much for the step I had taken, and said he would gladly comply with my request; he also stated that he would telegraph to Musurus Pasha to express his thanks to your Lordship.

I have, &c.
(Signed) HUGH WYNDHAM.

No. 22.

Earl Granville to Musurus Pasha.

M. l'Ambassadeur, *Foreign Office, July 17, 1883.*

YOUR Excellency communicated to me on the 1st ultimo a copy of a despatch from the Turkish Minister for Foreign Affairs, in which exception was taken to certain deductions from the surplus revenues of Cyprus made by the authorities for local payments, which should not, in the opinion of the Porte, be charged to the Turkish Government.

I have been in communication with the Secretary of State for the Colonies on this subject, and I have the honour to explain to your Excellency that no deductions have been or will be made by the local authorities except such as Her Majesty's Government have, after very careful consideration, decided to approve. The general conclusions of Her Majesty's Government as to the amount of the surplus and the deductions to be made from it were communicated to the Porte by Her Majesty's Chargé d'Affaires at Constantinople on the 13th November last, in the form of a Memorandum, of which I beg leave to inclose a copy for your Excellency's information.* Besides the deductions mentioned therein, one other small deduction has been made on account of certain Turkish military pensioners; but these pensions have been paid in accordance with the request of the Porte, contained in a Memorandum addressed to Sir H. Layard on the 19th May, 1879. I need not assure your Excellency that if the Turkish Government will specify the particular deductions of which they complain, Her Majesty's Government will be happy to explain the grounds on which they have been sanctioned.

I have, &c.
(Signed) GRANVILLE.

No. 23.

Musurus Pasha to Earl Granville.—(Received August 18.)

Milord, *Ambassade Impériale Ottomane, Londres, le 17 Août, 1883.*

SOUS la date du 1er Juin dernier, j'ai eu l'honneur d'adresser à votre Excellence une note par laquelle je la priais, sur la demande du Ministère Impérial des Finances, de vouloir bien obtenir du Département compétent du Gouvernement de Sa Majesté la Reine et me communiquer un Tableau détaillé du service de l'Emprunt Garanti de 1855 à partir du 1er Avril, 1879, ainsi qu'un Tableau explicatif des revenus accumulés de Chypre.

N'ayant pas reçu de réponse à ma note précitée, je viens prier votre Excellence, par suite de nouvelles instructions du Gouvernement Impérial, de vouloir bien me mettre à même de lui faire parvenir au plus tôt les Tableaux susmentionnés depuis le 1er Avril, 1879, jusqu'à ce jour.

J'ai, &c.
(Signé) MUSURUS.

No. 24.

Sir J. Pauncefote to Sir R. Lingen.

Sir, *Foreign Office, August 20, 1883.*

THE Turkish Ambassador has addressed a further note to Earl Granville, in which his Excellency requests that he may be supplied with the tabulated statements relative to the Guaranteed Loan of 1855 and the accumulated revenues of Cyprus, for which he applied in his note of the 1st June, and I am directed by his Lordship to request that you will move the Lords Commissioners of Her Majesty's Treasury to favour him with a reply to the letter from this Department of the 15th June relating to these questions.

I am, &c.
(Signed) JULIAN PAUNCEFOTE.

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* See Part II, No. 73.

No. 25.

Sir J. Pauncefote to Sir R. Herbert.

Sir, *Foreign Office, August* 21, 1883.

WITH reference to my letter of the 21st June, inclosing copy of a note from the Turkish Ambassador, in which his Excellency requested to be furnished with tabulated statements relative to the Guaranteed Loan of 1855 and the accumulated revenues of Cyprus, I am directed by Earl Granville to request you to inform the Earl of Kimberley that he has received a further note from Musurus Pasha, stating that the Turkish Government are pressing for the information in question.

I am to add that a letter has been addressed to the Treasury requesting a reply to the letter from this Department of the 15th June last.

I am, &c.
(Signed) JULIAN PAUNCEFOTE.

No. 26.

Earl Granville to Musurus Pasha.

M. l'Ambassadeur, *Foreign Office, August* 22, 1883.

I HAVE the honour to acknowledge the receipt of your note of the 17th instant, in which your Excellency informs me that the Turkish Government is anxious to obtain the information regarding the service of the Guaranteed Loan and the accumulated revenues of Cyprus, for which you have already applied.

In referring your Excellency to my note of the 15th June, I beg leave to state that I have lost no time in calling the attention of the proper Departments of Her Majesty's Government to the request which I had already submitted to them.

I have, &c.
(Signed) GRANVILLE.

No. 27.

Mr. Vincent to Earl Granville.—(Received August 28.)

My Lord, 8, *Ebury Street, London, August* 25, 1883.

I HAVE the honour to forward to your Lordship a copy of a Memorandum relating to the contributive parts of Bulgaria, Servia, Greece, and Montenegro towards the Ottoman Public Debt, which appeared in the "Times" of the 18th instant.

As the representative of the English bondholders, I solicit your Lordship's attention to the suggestions made in the Memorandum as offering a practical mode of dealing with a question of the greatest importance to the finances of the Turkish Empire, and of meeting the difficulties which have been found up to the present time to stand in the way of any acceptable settlement.

I venture to call your Lordship's special attention to the second solution, by which the Tributary States are enabled to free themselves from their obligations towards the Ottoman Public Debt in the comparatively brief period of twenty-five years.

I have, &c.
(Signed) EDGAR VINCENT.

Inclosure in No. 27.

Memorandum on Turkish Finance.

THE following Memorandum upon the contributive parts of the Ottoman Public Debt to be borne by Bulgaria, Servia, Greece, and Montenegro has been drawn up by Mr. Edgar Vincent, the President of the Council of the Ottoman Public Debt:—

From 1872 to 1876 inclusive the annual average of general revenues of the Ottoman Empire amounted in round figures to £ T. 18,190,000. Comparing for the same period the annual average of the revenues of the territories ceded to Bulgaria,

Greece, Servia, and Montenegro, the results are as follows:—Bulgaria, £ T. 1,691,600, which is, on £ T. 18,190,000, 9·300 per cent.; Greece, £ T. 364,300, which is, on £ T. 18,190,000, 2·002 per cent.; Servia, £ T. 360,162, which is, on £ T. 18,190,000, 1·980 per cent.; and Montenegro, £ T. 16,916, which is, on £ T. 18,190,000, ·093 per cent. The Ottoman Public Debt, reduced under the Decree of the $\frac{8}{20}$th December, 1881, amounts to 106,137,234*l.*, and taking as the basis of calculation the above percentages, the contributive part of each of these States would be for Bulgaria, 9,898,062*l.*; Greece, 2,130,873*l.*; Servia, 2,107,457*l.*; Montenegro, 98,986*l.*: total, 14,235,978*l.*

With regard to these facts two proposals have been made, the first of which is as follows:—The Imperial Decree of the $\frac{8}{20}$th December, 1881, fixes the maximum rate of interest on the reduced capital of the debt at 4 per cent. Interest has as yet been paid at the rate of 1 per cent. only, but the steady increase in the revenues, the profits expected from the introduction of the tobacco régie, the eventual receipts from the licence tax, &c., may be hoped to result eventually in justifying the payment of interest at the rate of 3 or even 4 per cent. There is every reason to believe that these four States, when required to fix their contributive parts to the Public Debt of the Empire, would desire to place themselves on the same footing in respect to the Imperial Government as the latter takes up in respect to the bondholders—that is, to pay on account of those parts no more than their proportionate share of the interest and amortization provided by Turkey for her creditors. But this desire, though just in principle, would be found in practice to entail certain inconveniences on the States themselves. Thus, following the foregoing reasons, they would have to hold themselves in readiness to provide double, treble, or four times the annual amount previously fixed, and for any State to be exposed to such an eventuality would be contrary to all economic principles. It is essential, therefore, that the annual payment should be definitely fixed, and to that end a choice must be made between a minimum of 1 per cent. and a maximum of 4 per cent. On full consideration the rate of 2 per cent. would seem to be the fairest and most reasonable both for the four States concerned and for Turkey.

The respective proportions would therefore be as follows:—

	£	At 2 per cent. £
For—		
Bulgaria	9,898,062	197,975
Greece	2,130,873	42,617
Servia	2,107,457	42,149
Montenegro	98,986	1,979
Total	14,235,978	284,716

The foregoing proposal results logically from the assumed desire of the four States that their contributions should be proportionate to the payments made by the Empire to its creditors, but it involves the inconvenience of rendering these States liable to charges which would cease only with the extinction of the Turkish Debt, or, in other words, would probably extend over a period of more than 100 years. But there is another plan which will now be described, and by which not only would the annual payments be somewhat reduced, but the States would, in the course of twenty-five years, be completely freed from their obligations towards the Ottoman Public Debt.

Thus, on reference to the market value, at the present time of the Turkish funds, it will be found that 100*l.* of the Loan of 1858 are worth 33*l.*; 100*l.* of the Loan of 1860 are worth 22*l.*; 100*l.* of the Loan of 1862 are worth 33*l.*; 100*l.* of the Loan of 1863-64 are worth 22*l.*; 100*l.* of the Loan of 1865 are worth 22*l.*; 100*l.* of the Loan of 1869 are worth 22*l.*; 100*l.* of the Loan of 1872 are worth 25*l.*; 100*l.* of the Loan of 1873 are worth 22*l.*; 100*l.* of the General Debt are worth 24*l.*; and 100*l.* of the Railway Loan are worth 30*l.* It follows that at these prices the contributive parts of the States could be paid off for the following sums: 2,453,282·51*l.* for Bulgaria, 528,115·31*l.* for Greece, 522,311·87*l.* for Servia, and 24,532·72*l.* for Montenegro; total, 3,528,242·41*l.* The financial position of these States would obviously not admit of their providing such large sums forthwith, but by producing the necessary guarantees they would meet with financial establishments who would make the required advances at a rate of 6 per cent., with an additional 2 per cent. for sinking fund.

Calculations on the above basis will be found to show that the four States would be able to free themselves entirely from their liability to contribute towards the liquidation of the Ottoman Public Debt within the above-mentioned period of twenty-five years by annual payments, as follows: For Bulgaria, 196,250*l.*; for Greece, 42,250*l.*; for Servia, 41,780*l.*; and for Montenegro, 1,960*l.*; total, 282,240*l.*

No. 28.

Mr. Meade to Sir J. Pauncefote.—(Received September 3.)

Sir,

Downing Street, September 1, 1883.

I AM directed by the Earl of Derby to acknowledge the receipt of your letter of the 21st August, stating that the Turkish Government are pressing for the information mentioned in your letter of the 21st June relative to the deductions from the Cyprus tribute.

In reply, I am to explain that as the Treasury alone possesses full materials for answering the questions of the Turkish Government, Lord Derby assumed that that Department would supply the information; but that with a view to rendering such aid as it was possible for this Department to give, he caused the letter, of which a copy is now inclosed, to be addressed to the Treasury.

He will also cause copies of the present correspondence to be communicated to that Department.

I am, &c.
(Signed) R. H. MEADE.

Inclosure in No. 28.

Mr. Meade to Sir R. Lingen.

Sir,

Downing Street, June 28, 1883.

I AM directed by the Earl of Derby to acquaint you that he has been informed by Earl Granville that he has communicated to the Lords Commissioners of the Treasury a note from Musurus Pasha, Ottoman Ambassador at this Court, dated the 1st instant, applying for information as to the payments by England and France on account of the Guaranteed Loan of 1855 and as to the accumulated revenue of Cyprus.

Their Lordships have doubtless full materials from which to supply the information desired by the Turkish Government, and I am therefore merely to refer to the letter from this Office of the 26th March, in which was inclosed a signed account of the payments and temporary deductions for the years 1879-80, 1880-81, and 1881-82, and to observe that, in addition to the sums specified in that account, the Paymaster-General received from the Crown Agents in January last the sum of 11,000*l.* on account of the payments for 1882-83.

I am, &c.
(Signed) R. H. MEADE.

No. 29.

Mr. Courtney, M.P., to Mr. Currie.—(Received September 10.)

Sir,

Treasury Chambers, September 8, 1883.

THE Lords Commissioners of Her Majesty's Treasury have had before them your letters of the 15th June and the 20th August last, sending copy of a note from the Turkish Ambassador, in which his Excellency requests that he may be furnished with information showing how the amount of payments by this Board on account of the Guaranteed Loan to Turkey of 1855, stated in the letter from this Department of the 9th August, 1882, at 266,014*l.* 6*s.* 5*d.*, has been arrived at, and also with an explanatory Table of the accumulated surplus of the Cyprus revenue up to the same date.

I am to point out to you that the discrepancy between the amount advanced on account of the loan as stated by the Turkish Ambassador, and as stated by the letter before alluded to, arises (primarily) from the difference in the period covered by the

account of the Turkish Ambassador and that covered by the statement in the letter of this Board: the former commencing on the 1st February, 1880, and terminating on the 1st February, 1882, the latter commencing on the 15th March, 1878, and terminating on the 1st August, 1882; and also from other causes, which are shown in the accompanying Table (B). Another Table (A), prepared by the Bank of England, is also appended, showing the total amounts paid by the Bank on account of the loan in the period from the 1st February, 1878, to the 1st August, 1883, with the amounts repaid, showing from what sources the repayments have been made.

A third Table (C) shows the manner in which the advances made by this Board to the Bank of England up to the 1st August, 1882 (as shown in Table A), have been recouped; and a fourth (D) the accumulated surplus of the Cyprus revenues, and the manner in which it has been applied.

With regard to the small item of 144*l.* 1*s.* 3*d.* charged in Table (D) against the Cyprus tribute, that sum was advanced by the Bank in August 1879 (see Table A) on account of dividend due on the 1st of that month, and has been outstanding up to the present time, never having been repaid by the Turkish Government.

My Lords have now repaid the amount to the Bank, charging it against the Cyprus tribute account. A Table (E) is appended showing the manner in which the amount is made up.

With regard to the objection of the Turkish Government to charging to the Cyprus revenue the advances for the ransoms of Colonel Synge and Mr. Suter, my Lords request that you will remind Lord Granville of the repeated demands which have been made upon the Turkish Government for repayment of these ransoms.

Their Lordships need only refer, as regards the ransom of Colonel Synge, to the despatch of Lord Granville to Mr. Goschen dated the 12th May, 1881, copy of which was communicated to this Board in Lord Tenterden's letter of the 13th May, 1881; and as regards the ransom of Mr. Suter, to the letter from this Department of the 22nd April of the same year, in which my Lords suggested that the advance of the ransom should be accompanied by the intimation that, "if not repaid before the next contribution from Cyprus falls due, the amount will be stopped out of that contribution."

In his despatch of the 26th September, 1881, Lord Granville instructed Lord Dufferin to repeat the demand of Her Majesty's Government for repayment of both advances, with an intimation that, in default of prompt payment, Her Majesty's Government would have resort to such means as are at their disposal for recovering the sums advanced by them.

The Turkish Government have not provided the money, or made any proposal on the subject, and in pursuance of their intimation thereupon, my Lords are applying the balance of the surplus revenue to the liquidation of their claim.

My Lords think that advantage might be taken of the opportunity to remind the Porte that it bound itself by the Convention of 1855, between Her Majesty, the Emperor of the French, and the Sultan, to provide a sinking fund of 1 per cent. upon the whole capital of the Guaranteed Loan of 5,000,000*l.*, and that it has failed for many years to discharge its obligation; that Her Majesty's Government have been unwilling to press the Porte in past years, but that they consider that the reason for such forbearance no longer exists, and that they must therefore request the Porte to make provision for the regular payment of the sinking fund in future.

I have, &c.
(Signed) LEONARD COURTNEY.

Inclosure 1 in No. 29.

Imperial Ottoman Guaranteed Loan, 1855.

(A.)—Statement of Charges and Receipts from the 1st February, 1878, to the 1st August, 1883.

			£	s.	d.
1878.—Mar. 15	..	Received from Her Majesty's Treasury	70,479	12	1
Aug. 1	..	Interest at 2 per cent. to this day on 76,304*l.* advanced by the Bank	175	12	1
Sept. 16	..	Imperial Ottoman Government	76,304	0	0
Dec. 11	..	Ditto	1,144	11	2
		Dividend on 3,815,200*l.*, at 2 per cent.	76,304	0	0
		Commission, at 300*l.* per million	1,144	11	2
		Interest on 46,048*l.* 11*s.* 2*d.* advanced by Bank from August 1 to September 16, 1878	276	5	8
1879.—Feb. 6	..	Imperial Ottoman Government	15,701	0	0
		Received from Her Majesty's Treasury	60,600	0	0
		Ditto	212	12	10
Aug. 1	..	Egyptian tribute	36,000	0	0
" 4	..	For Turkish Ambassador	32,536	18	10
" 11	..	Ditto	2,000	0	0
		Advanced by Bank of England	144	1	3
1880.—Feb. 16	..	Imperial Ottoman Government	7,800	0	0
Mar. 24	..	Received from Her Majesty's Treasury	68,504	0	0
" 24	..	Ditto	279	17	7
Aug. 2	..	Egyptian tribute	36,000	0	0
		Received from Her Majesty's Treasury	41,448	11	2
1881.—Feb. 1	..	Egyptian tribute	36,000	0	0
" 9	..	Received from Her Majesty's Treasury	40,304	0	0
" 25	..	Ditto	30	18	4
Aug. 1	..	Egyptian tribute	36,000	0	0
" 11	..	Received from Her Majesty's Treasury	41,448	11	2
" 19	..	Ditto	27	12	1
1882.—Feb. 1	..	Egyptian tribute	36,000	0	0
		Received from Her Majesty's Treasury	40,304	0	0
Aug. 1	..	Egyptian tribute	36,000	0	0
		Received from Her Majesty's Treasury	41,448	11	2
1883.—Feb. 1	..	Egyptian tribute	36,000	0	0
		Received from Her Majesty's Treasury	40,304	0	0
Aug. 1	..	Egyptian tribute	36,000	0	0
		Received from Her Majesty's Treasury	41,448	11	2
			£	s.	d.
		Dividend on 3,815,200*l.*, at 2 per cent.	76,304	0	0
		Interest at 2 per cent. to this day on 76,304*l.* advanced by the Bank	175	12	1
		Dividend on 3,815,200*l.*, at 2 per cent.	76,304	0	0
		Commission, at 300*l.* per million	1,144	11	2
		Interest on 46,048*l.* 11*s.* 2*d.* advanced by Bank from August 1 to September 16, 1878	276	5	8
		Dividend on 3,815,200*l.*, at 2 per cent.	76,304	0	0
		Interest on 76,304*l.* advanced by Bank	212	12	10
		Dividend on 3,815,200*l.*, at 2 per cent.	76,304	0	0
		Commission, at 300*l.* per million	1,144	11	2
			£	s.	d.
		Interest to Bank	11	14	11
		Stamps	20	14	0
			32	8	11
		Dividend on 3,815,200*l.*, at 2 per cent.	76,304	0	0
		Interest on advance by Bank	279	17	7
		Dividend on 3,815,200*l.*, at 2 per cent.	76,304	0	0
		Commission, at 300*l.* per million	1,144	11	2
		Dividend on 3,815,200*l.*, at 2 per cent.	76,304	0	0
		Interest for eight days on 40,304*l.*	30	4	0
		Dividend on 3,815,200*l.*, at 2 per cent.	76,304	0	0
		Commission, at 300*l.* per million	1,144	11	2
		Interest for ten days on 40,304*l.*	27	12	1
		Dividend on 3,815,200*l.*, at 2 per cent.	76,304	0	0
		Ditto	76,304	0	0
		Commission, at 300*l.* per million	1,144	11	2
		Dividend on 3,815,200*l.*, at 2 per cent.	76,304	0	0
		Ditto	76,304	0	0
		Commission, at 300*l.* per million	1,144	11	2

(Signed) E. E. BALY.

Bank of England, August 13, 1883.

Inclosure 2 in No. 29.

(B.)—Advances by the British Government.

Turkish Account, as given in Note of Turkish Ambassador dated the 1st June, 1883.

	£	s.	d.	£	s.	d.
February 1, 1880—						
Interest, &c.	76,304	0	0			
Less tribute	36,000	0	0			
				40,304	0	0
August 1, 1880				41,448	11	2
February 1, 1881—						
Interest, &c.	76,304	0	0			
Less tribute	36,000	0	0			
				40,304	0	0
August 1, 1881—						
Interest, &c.	77,448	11	2			
Less tribute	36,000	0	0			
				41,448	11	2
February 1, 1882				40,304	0	0
				203,809	2	4

English Account, the result of which is stated in letter to Foreign Office of the 9th August, 1882.

	£	s.	d.	£	s.	d.
Advances to December 31, 1879	137,322	9	11			
Repayments	104,311	2	5			
				33,011	2	6
Interest, &c.	76,304	0	0			
Expenses	279	17	7			
	76,583	17	7			
Less—						
Received from Ottoman Government, 16th February .. 7,800 0 0						
Received from Egyptian Government, 8th June .. 40,792 17 7						
	48,592	17	7			
				27,991	0	0
.. ..				41,448	11	2
Interest, &c.	76,304	0	0			
Expenses	30	18	4			
	76,334	18	4			
Less tribute	36,000	0	0			
				40,334	18	4
Interest, &c.	77,448	11	2			
Expenses	27	12	1			
	77,476	3	3			
Less tribute	36,000	0	0			
				41,476	3	3
.. ..				40,304	0	0
August 1, 1882				41,448	11	2
				266,014	6	5

Inclosure 3 in No. 29.

(C.)—Advances by the Treasury to the Bank of England, as shown in (A), and Repayments by the Porte.

Advances.	£	s.	d.
1878.—March 15	70,479	12	1
1879.—February 6	60,600	0	0
February 6	212	12	10
1880.—March 24	68,504	0	0
March 24	279	17	7
August 2	41,448	11	2
1881.—February 9	40,304	0	0
February 25	30	18	4
August 11	41,448	11	2
August 11	27	12	1
1882.—February 1	40,304	0	0
August 1	41,448	11	2
	411,118	6	5

Repayments by the Porte.	£	s.	d.
1878.—July 5	30,700	0	0
1879.—April 10	40,600	0	0
May 1	32,802	0	0
May 2	209	2	6
1880.—June 8	40,792	17	7
Balance	266,014	6	5
	411,118	6	5

Inclosure 4 in No. 29.

(D.)—Cyprus Tribute.

	£	s.	d.
1879-80			
Land revenue	85,000	0	0
1880-81	5,000	0	0
Land revenue	87,686	0	0
1881-82	5,000	0	0
Land revenue	87,686	0	0
1882-83	5,000	0	0
Land revenue	87,686	0	0
	5,000	0	0
	368,058	0	0

		£	s.	d.
1880-81.—Repayment of double verghi forced loan, 1877		246	0	0
1881-82.—Ditto, ditto		246	0	0
	Piastres.			
Pensioners	10,756			
Repayment of "Beit-ul-mal"	70			
	10,858	266	6	10
1882-83.—Repayment of double verghi forced loan, 1877		246	0	0
Pensioners		80	18	0
Repayment of "Beit-ul-mal"		19	5	3
Repayment of forced loan to officials, 1877		2,100	0	0
Due on Ottoman Loan (1855) to August 1, 1882		266,014	6	5
Ditto, ditto, to February 1, 1883		40,304	0	0
Ditto, ditto, to August 1, 1883		41,448	11	2
Synge and Suter ransoms		8,569	13	7
Balance due to Bank on dividend, August 1, 1879		144	1	3
Balance, applicable to Synge and Suter ransoms		8,372	17	6
		368,058	0	0

August 17, 1883.

Inclosure 5 in No. 29.

(E.)—Imperial Ottoman Guaranteed Loan of 1855.

		£	s.	d.
1879.—August 1.	Six months' interest on 3,815,000*l.*	76,304	0	0
	Commission	1,144	11	2
		77,448	11	2
" 1.	Amount in hands of Bank of England	36,000	0	0
		41,448	11	2
" 4.	Cash received of his Excellency the Turkish Ambassador	32,336	18	10
" 11.	Ditto	9,000	0	0
		41,336	18	10
	Interest on 41,448*l.* 11*s.* 2*d.*; three days at 2 per cent.	111	12	4
	Ditto on 9,000*l.*; ten days at 2 per cent.	6	16	3
	Bill stamps	4	18	8
		20	14	0
		144	1	3

No. 30.

Earl Granville to Mr. Wyndham.

(No. 312.)

Sir,

Foreign Office, September 10, 1883.

YOU reported in your despatch No. 417 of the 30th June, that the Porte recognized the efforts which Her Majesty's Government are making to promote a settlement of the question of the amount of tribute to be paid by Bulgaria, and the share of the Turkish Public Debt to be borne by that Principality as well as by Servia, Greece, and Montenegro.

With a view of advancing the matter, they have obtained from Mr. Vincent, President of the Council of the Ottoman Public Debt, the accompanying Memorandum,* and I have to instruct you to ascertain unofficially from Aarifi Pasha, who has already promised to furnish you with information on the subject, whether the Porte will confirm the figures quoted as the average revenues of the ceded territories, and would be willing to accept a settlement on the bases proposed.

I am, &c.

(Signed) GRANVILLE.

* Inclosure in No. 27.

No. 31.

Mr. Wyndham to Earl Granville.—(Received September 13.)

E

(No. 495. Confidential.)

My Lord,

Therapia, September 1, 1883.

WITH reference to my despatch No. 417 of the 30th June last, I have the honour to transmit herewith, for the consideration of Her Majesty's Government, a tabular statement, communicated to me by the Minister of Finance, of the shares of the Ottoman Public Debt which the Sublime Porte consider should be borne by Bulgaria, Servia, Greece, and Montenegro, based upon the receipts for the five years previous to the cession of the territories in the respective States by Turkey.

I have also the honour to inclose a copy of a letter from Mr. Foster explanatory of the statistics with which I have been furnished.

I have &c.

(Signe ,) HUGH WYNDHAM.

Inclosure 1 in No. 31.

Montant total de la Dette Consolidée de l'Empire Ottoman, à l'exclusion des Dettes garanties par le Tribut d'Egypte.

Table (A.)

	Capital nominal.	Montant du Capital calculé aux prix d'émission.	Intérêts non payés.	Montant réduit des Intérêts non payés.	Capital nominal et Intérêts non payés.	Montant réduit du Capital nominal, et des Intérêts non payés.
	£ sterling.	£ sterling.	£ sterling.	£ sterling.	£ sterling.	£ sterling.
	190,997,980	96,763,278	61,803,905	9,676,327	252,801,885	106,439,605
	167,469,643	84,636,141	51,058,153	8,463,615	221,119,755	93,099,756
	23,037,377	12,127,137	7,745,753	1,212,712	31,083,130	13,339,849

Parts afférentes à la Bulgarie, à la Serbie, à la Grèce, et au Monténégro, dans la dette figurant ci-contre, établies d'après la moyenne quinquennale des Recettes effectuées sur les revenus de l'Empire Ottoman depuis l'Année 1288 (1872) jusque, et y compris l'Année 1292, soit 1,822,884,529 piastres (non compris les tributs de l'Egypte et des autres provinces privilégiées).

	Moyennes des Recettes effectuées sur les Revenus des Localités ci-après, de l'Année 1288 à 1292.	Capital nominal.	Montant du Capital calculé aux prix d'émission.	Intérêts non payés.	Montant réduit des Intérêts non payés.	Capital nominal et Intérêts non payés.	Montant réduit du Capital nominal et des Intérêts non payés.
	Piastres.	£ sterling.	£ sterling.	£ sterling.	£ sterling.	£ sterling.	£ sterling.
Bulgarie	109,162,794	17,514,515	9,979,681	6,736,372	26,439,891	9,877,592	
Serbie	27,379,950	2,868,709	1,153,543	925,268	3,796,977	1,598,677	
Grèce	31,237,350	3,231,953	1,355,037	1,038,763	4,330,711	1,833,100	
Monténégro	688,099	72,191	36,573	43,360	95,551	40,230	
	228,168,323	23,037,377	12,127,137	7,745,753	31,083,130	13,339,849	

Inclosure 2 in No. 31.

Mr. Foster to Mr. Wyndham.

Dear Mr. Wyndham, *Imperial Ottoman Bank, Constantinople, August 25, 1883.*

I HAVE examined, as far as the means I have at my disposal admit, the Table of the contributive parts of the debt attributable to the ceded provinces, and I now return it to you with the following observations:—

The Table to the right hand, which I call Table (A), is taken from Annex I, attached to the Decree of December 1881, so far as the top line of figures is concerned. These figures would perhaps be more easily understood if placed as under, viz.:—

Debt of Turkey.	At nominal Price.	At issue Price. (Value received.)
	£	£
Capital of Debt	190,997,980	96,763,278
Add interest thereon due but unpaid ..	61,803,905	9,676,327
Total of capital and interest ..	252,801,885	106,439,605

You will perceive that the over-due interest was met by an addition of 10 per cent. to the reduced capital of the debt, making together 106,439,605*l.*

The next point in the computation is the total amount of the revenue of the Empire.* The statement, taking an average of five years prior to the war (1288-1292), gives this total revenue as 1,822,884,529 piastres, that is, over £ T. 18,000,000.

I doubt the average of these years reaching that amount. The accounts at the Treasury are kept, not according to cash receipts, but according to the assessment of the taxes, and there is often a wide difference between the assessment and the actual cash receipts. At the bank we were enabled to keep statistical accounts of the actual cash receipts for the years 1291 and 1292, which gave us the following results, viz.:—

		£ T.
1291.	Total cash receipts	10,896,821
1292.	Ditto	14,073,129

It must however be observed that during these two years the Bulgarian troubles had already commenced, and may have caused a reduction of revenue. If the Treasury has placed the total revenue at an exaggerated figure, the fact would tell against them, as the charge against the detached provinces would thereby be diminished in proportion.

The third point regards the amount of revenue shown in Table (B), as appertaining to the detached provinces.

As regards Servia, Greece, and Montenegro, I have no means of checking the amounts given in the Table. I have no maps of the vilayets showing the exact delimitations of the parts of the territory transferred, and no means of tracing the exact amount of revenue appertaining to such districts, but as regards Bulgaria, I have taken the whole of the former province of the Danube, less the Dobrateha and Nisch, and find that for the two years, 1291 and 1292, our statistics show an average cash receipt of about £ T. 1,700,000, which nearly corresponds with that given in the Table.

The data upon which the computations are founded are therefore as follows, viz.:—

1. The amount of debt is absolutely correct, being taken from the Decree of December 1881.

2. The total amount of the revenue may be stated at too high a figure, but, if so, so much the more favourable for the provinces whose contributive parts are thereby reduced in proportion.

3. The revenues of the ceded districts are difficult to check, but so far as regards the most important province, the amount given is evidently fairly correct.

Given these bases, the rest is a mere rule of three, and it seems therefore clear that the four sums, amounting to 13,339,849*l.*,† are not exaggerated, and may

* Excluding Egyptian tribute.

† Table (B).

even be under the mark, and should fairly be borne by the States who now draw the revenues which formerly were applicable to the debt of Turkey.

I remain, &c.
(Signed) W. H. FOSTER.

No. 32.

TABLE showing Amounts of Ottoman Reduced Debt, and contributive parts of Bulgaria, Greece, Servia, and Montenegro, as estimated by—

Mr. Edgar Vincent.	£	£	Turkish Minister of Finance.	£	£
Reduced Debt . .	106,437,234		Reduced Debt . .	106,439,605	
Bulgaria . .		9,898,662	Bulgaria . .		9,877,542
Servia . .		2,107,457	Servia . .		1,598,677
Greece . .		2,130,873	Greece . .		1,823,400
Montenegro . .		98,986	Montenegro . .		40,230
		14,235,978			13,339,849
£			£		
106,437,234			106,439,605		
14,235,978			13,339,849		
92,201,256 amount left to Turkey.			93,099,756 amount left to Turkey.		

No. 33.

Mr. Currie to Mr. Courtney.

Sir, *Foreign Office, September* 21, 1883.

EARL GRANVILLE has had before him your letter of the 8th instant, containing the information which has been asked for by the Turkish Government with regard to the payments made on account of the Guaranteed Loan of 1855, and the accumulated surplus of the Cyprus revenues.

I am directed by his Lordship to request that you will state to the Lords Commissioners of Her Majesty's Treasury that he would be glad, in communicating this information to the Turkish Ambassador, to be able to include a statement of the amount which will be available for payment to the Porte when the charges on account of Colonel Synge's and Mr. Suter's ransoms have been paid off.

As regards the suggestion made in the last paragraph of your letter that the Porte should be pressed to fulfil its obligation to provide a sinking fund for the liquidation of the Guaranteed Loan, Lord Granville believes that under present circumstances there is no prospect of the Porte making such a provision, and he therefore trusts that their Lordships will agree to the postponement of the proposed communication.

I am, &c.
(Signed) P. CURRIE.

No. 34.

Mr. Locock to Earl Granville.—(Received October 11.)

(No. 57.)

My Lord, *Belgrade, October* 5, 1883.

I HAVE examined with attention the Memorandum by Mr. Edgar Vincent, suggesting methods of payment by Bulgaria, Greece, Servia and Montenegro, of their respective shares of the Ottoman Debt, and according to the instruction contained in your Lordship's despatch No. 19 of the 10th ultimo, which reached me on the 25th ultimo, I have the honour to submit the few following observations with regard to that portion of the debt which concerns Servia.

I anticipate that the Servian Government will feel inclined to question the computation that the revenue of the provinces ceded to Servia amounted on the average of the last five years preceding the war to so high a figure as £ T. 360,162. The late

Minister of Finance, speaking roughly from memory, told me a few days ago that the present revenue of those provinces is only about a fifth of the above-named sum. Although it is possible that those provinces have not yet wholly recovered from the devastations of the war, and although it is the case that they are not as heavily taxed as they were when under Turkish rule, it is still difficult to account for so considerable a difference. But even supposing the accuracy of the above-named figure to be admitted by the Servian Government, the question will still arise: "Was taxation throughout the whole of the Ottoman Empire uniform? For if it was not, and if the population, whether Mussulman or Christian, of the provinces afterwards ceded to Servia was more highly taxed than in some other parts of the Empire, and especially if a portion of the taxes was in any way an equivalent for military or other service, then it is manifest that this will have to be taken into account, and that a corresponding deduction will have to be made from the estimated revenue on which Servia's share of the Ottoman Public Debt is to be reckoned.

Proceeding now to the question of payment, if I rightly understand the Memorandum, there are three methods suggested by which this might be effected:—

1. By periodical payments, varying in precise accordance with those made by Turkey, and ceasing only with the extinction of the Ottoman Debt.

2. By fixed periodical payments at the rate of 2 per cent. per annum, continuing likewise until the Ottoman Debt has been paid off: this payment to be for Servia 42,149*l.* per annum.

3. By the immediate payment of a capital representing the share of the debt at the present market value of the Ottoman Debt, through some financial establishment willing, with certain guarantees, to make the necessary advance at an interest reckoned at 6 per cent. for twenty-five years, with an additional 2 per cent. for sinking fund.

It is presumed in the Memorandum that the first of these methods would be unacceptable to the States concerned, and it is pointed out that it would be contrary to all economic principles for a State to expose itself to the uncertainties which such a plan would involve. This is doubtless so, but at the same time it is not clear to me that the plan would not present some attraction to one or more of the States concerned. For although it is indeed possible it is not likely that they would, while keeping exact pace with the Turkish rate of interest, ever find themselves suddenly called on to provide for a considerable increase in their annual payments, and there is apparently a probability that for some time to come the rate would be certainly under 2 per cent. Therefore, though such a system of discharging her debt would be unsound in principle, I think it is well within the range of possibility that it might be selected by Servia.

The second plan, if I rightly comprehend it, would likewise be an unsound one for the States to adopt. For though the rate of interest would be fixed, the period during which it would have to be paid would be uncertain, and although from this there might result to the States a gain, there might on the other hand result a great loss. For supposing Turkey continued to pay for a long term of years only 1 per cent., the States would have to pay during that long term exactly double, and yet their debt would at the end of the time be no nearer extinction than the Turkish Debt, on which only half the amount of interest had been paid.

The third method seems to me likely to prove the most attractive one to the States, or at all events to Servia. There is at first sight a certain fascination in the circumstance that the annual payment, which by this method would extinguish the debt in twenty-five years, is actually rather less than that required by the second plan. Of course there is also the very important matter of the "necessary guarantees," which would be required by the financial establishment before it would make the advance. I believe that Servia could, however, offer guarantees sufficiently good to enable her to obtain the money almost, though perhaps not quite, at the rate of 6 per cent. The Agrarian Loan which she lately raised was at 6½ per cent., but it was for only about a quarter of a million sterling. It is not improbable that the rate for this larger and later loan might have to be 7 per cent. In this case the annual payment, including sinking fund, would have to be 9 instead of 8 per cent., or 47,000*l.*, instead of 41,780*l.* This would be an addition to the annual expenditure very nearly equal to the present Civil List, and nearly one-thirtieth part of the national income. Servia is capable of such a sacrifice, and probably not incapable of the effort to make it.

I have, &c.
(Signed) SIDNEY LOCOCK.

No. 35.

Mr. Kirby Green to Earl Granville.—(Received October 18.)

(No. 142.)

My Lord, *Scutari, October 2, 1883.*

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 29 of the 10th ultimo, directing me to furnish your Lordship with any observations which I may have to offer on Mr. Edgar Vincent's Memorandum on Turkish finance.

The solution specially suggested by Mr. Vincent ought, as far as Montenegro is concerned, on the sole score of policy, to be at once accepted by the Montenegrin Government. But this is not the view of the matter which it is probable that Government will take if it is to be allowed to have a voice in determining the amount of the Ottoman Public Debt which is to be borne by it.

Should, therefore, Mr. Vincent's proposals be considered to be based on equitable calculations, I think it would in that case be advisable to stand strictly by the terms of Article XXXIII of the Treaty of Berlin, and thus, by settling the question over its head, avoid interminable discussions with a Government whose scanty revenues frequently unwillingly force it, in order to gain time, to contest the payment of even acknowledged debts.

There may be, however, some value in the plea that the asserted averages of the revenues of the territories ceded to the contributive States weigh unfairly on some of these States. An examination of the statistics whence those averages have been drawn is consequently necessary, for it may turn out that the actual territories acquired have not in every case been solely in question, but that, through calculations having been based on areas of territories instead of on revenues of ceded localities alone, Turkey has retained kernels, whilst bestowing on Montenegro and some others husks.

For instance, it is highly probably that the totals of the Revenue Returns of the Vilayets of the Herzegovina, Bosnia, Kossovo, and Scutari have been had recourse to in order to supply the data sought for by Mr. Vincent in making out his award for Montenegro. Yet, though all these provinces have contributed towards the increase of the Principality's territory, it is nevertheless an undeniable fact that the actual towns and districts so ceded gave little, in most cases nothing, towards the revenues of the provinces from which they were severed.

As a further explanation of the above, I may point out that, though Antivari may appear in Ottoman financial records as a most important custom-house, this depended entirely upon the circumstance of its being the seaport of Scutari, and receiving the import and export dues of that place. Now that Antivari has been annexed to Montenegro, it is almost needless to say that the Turkish Government, by changing the seaport of Scutari to San Giovanni di Medua, has retained all the revenues which would have formerly passed through the Antivari custom-house; evidently, therefore, calculations based upon Montenegrin gains in this direction must be erroneous.

Moreover, the Montenegrin Government maintains that, instead of the Turkish Treasury having suffered through the cessions made to the Principality, it has, on the contrary, been relieved of the constant drain on its resources entailed by the necessity of maintaining and defending fortresses in unsuitable and arid localities quite incapable of supplying the wants of their garrisons and other inhabitants. In proof of this contention are quoted the exodus of the Mussulman inhabitants who had lived on extraneous Imperial grants for military border service, and the scanty revenues now obtainable from the newly-acquired territories.

I have, &c.

(Signed) W. KIRBY GREEN.

No. 36.

Earl Granville to the Earl of Dufferin.

(No. 361.)

My Lord, *Foreign Office, October 19, 1883.*

I HAVE received Mr. Wyndham's despatch No. 495, Confidential, of the 1st ultimo, inclosing a tabular statement communicated to him by the Turkish Minister of Finance, setting forth the proportion of the Ottoman Public Debt which the Porte considers should be borne by Bulgaria, Servia, Greece and Montenegro respectively,

as well as a copy of a letter from Mr. Foster explanatory of the statistics above referred to.

I have to call your Excellency's particular attention to this matter, as the question is one which, in the opinion of Her Majesty's Government, requires an early settlement.

I am, &c.

(Signed) GRANVILLE.

No. 37.

Mr. Ford to Earl Granville.—(Received November 9.)

(No. 114.)

My Lord, *Athens, November 1, 1883.*

I DULY received your Lordship's despatch No. 58 of the 10th September last, forwarding to me a copy of a Memorandum that had been drawn up by Mr. Edgar Vincent, President of the Ottoman Public Debt, suggesting a mode of arriving at a solution of the question of the amount to be contributed by Bulgaria, Servia, Greece, and Montenegro towards the payment of the Turkish debt, and requesting me to furnish your Lordship with any observations which I might have to offer upon Mr. Vincent's Memorandum.

On receipt of this document M. Tricoupi informed me, in reply to an inquiry I addressed to him, that he was in possession of a copy of Mr. Vincent's Memorandum, which had been published in the newspapers, and he promised to give me in writing his views on the subject.

I have now the honour to transmit herewith to your Lordship translation of M. Tricoupi's paper, from which your Lordship will observe—

1. That instead of calculating the part of the Ottoman debt to be borne by Greece on a sum of 106,437,234*l.*, which sum Mr. Vincent states represented the Ottoman Public Debt on the $\frac{8}{20}$th December, 1881, M. Tricoupi proposes, for reasons stated in his paper, to base his calculations on a sum of 92,231,234*l.*

2. That the part of the Ottoman debt which Greece will have to bear would be 1·731 per cent., and not 2·002 per cent., as stated by Mr. Vincent.

3. That the debts contracted by the Turkish Government for the construction of railways, none of which were made in the provinces ceded to Greece, and for the purchase of iron-clads and war material, which remain in the hands of the Turks, should, in M. Tricoupi's opinion, properly be deducted from the total amount of the Ottoman Public Debt, on which Greece is called upon to pay a contributive part.

Your Lordship will also observe from the concluding paragraph of M. Tricoupi's paper that whatever may be the portion which will be charged on Greece of the Turkish debt, Greece will have to pay annually for that portion a percentage equal to the amount per cent. derived by the bondholders from the revenues ceded by Turkey for the service of the loans contracted by that Empire; or, in other words, when once it is determined what proportion of the debt will fall to the share of Greece (say, for instance, 1½ per cent.), on that share Greece will only have to pay, for interest and sinking fund, whatever interest and sinking fund accrues to the bondholders from the revenues ceded to them by Turkey.

I have, &c.

(Signed) FRANCIS CLARE FORD.

Inclosure in No. 37.

Views of the Greek Government on Mr. Vincent's Memorandum respecting the part of the Turkish Debt to be borne by Greece.

MR. VINCENT a évalué à 18,190,000*l.* sterling, soit à 450,000,000 fr., les revenus annuels de l'Empire Ottoman.

On sait que le Traité du 11 Juin, 1881, a fixé la quote-part de la dette Ottomane afférente à la Grèce en proportion des revenus des territoires cédés par la Turquie au Royaume Hellénique, sans indiquer toutefois la période qui doit servir de base à la répartition, ni la procédure à suivre pour arriver à une exacte évaluation des revenus de l'Empire. Il semble donc qu'avant de procéder à cette répartition, les Représentants des Grandes Puissances devraient déterminer les revenus de la Turquie en général et ceux de chacune des provinces cédées en particulier à l'époque la plus rapprochée du jour où commencent les droits et les obligations des États intéressés.

Elles devraient aussi tenir compte des événements qui, en modifiant les conditions fiscales de l'Empire, ont fait subir d'importantes variations aux revenus du Trésor Public.

Pour établir une équitable répartition des obligations des États, qui ont obtenu des concessions territoriales de la part de la Turquie, il serait juste de prendre en considération les réflexions suivantes :—

1. La Turquie a subi, à diverses époques, des réductions territoriales qui ont, forcément, diminué les recettes publiques et laissé tout le poids de la dette, contractée pour les besoins d'un plus vaste territoire et d'une population plus nombreuse, à la charge d'une population et d'un territoire amoindris.

2. La modification provisoire des conditions fiscales apportée, de temps en temps, dans certaines provinces, par l'augmentation ou la diminution de la taxe sur les matières imposables, a fait subir aux recettes publiques de sensibles variations d'année en année. Ainsi, le Budget des recettes de 1874-75 dépasse de 83,000,000 fr. celui de l'année précédente, tandis que celui de l'année de 1875-76 donne 50,000,000 fr. de moins que le premier.

3. La Porte n'ayant pas un système uniforme de constatation et de recouvrement des impôts, il est presque impossible d'établir une juste proportion entre les recettes totales de l'Empire et celles de chaque province prise séparément. Ainsi les Douanes les plus productives, les droits de consommation dans les grandes villes, et autres branches des revenus publics d'un recouvrement facile étaient cédés à des fermiers qui payaient au Trésor une somme déterminée d'avance, déduction faite des frais généraux de perception et, sans nul doute, aussi des bénéfices que les susdits fermiers devaient réaliser pour leur compte personnel. D'un autre côté, les frais de constatation et de recouvrement des impôts opérés directement par les agents du fisc sont portés au Budget des dépenses de l'Empire. Les dernières considérations s'appliquent aux provinces cédées à la Grèce où les impôts étaient directement recouvrés par les fonctionnaires du Divan.

4. On a compris dans les revenus permanents la valeur des immeubles ou biens du domaine—revenus qui n'existaient plus au moment de la cession de la Thessalie à la Grèce—ces biens ayant été vendus auparavant pour le compte de la Porte.

5. La Porte comprend aussi parmi les revenus publics la taxe d'exonération du service militaire, qui est de 20,000,000 fr. pour tous les Chrétiens de l'Empire, qui, seuls, sont soumis à cet impôt.

La Thessalie s'étant presque exclusivement peuplée de Chrétiens, cette taxe augmenterait, d'une manière inégale, sa part contributive de la dette Ottomane. Il suit de là que les Grandes Puissances devraient, sur ce chef, adopter un mode de répartition, s'étendant à tous les sujets du Sultan, sans distinction de religion. En admettant le point de vue de la Porte, les provinces habitées par des Chrétiens supporteraient seules un impôt qui, à notre avis, ne devrait pas, en ce qui concerne les provinces cédées par la Turquie, être compris dans les revenus publics de l'Empire.

Il appartient aux Représentants des Grandes Puissances d'apprécier les considérations que l'on vient d'exposer et de vérifier les renseignements qui leur ont été donnés sur les finances de l'Empire. Car, dans un État—et c'est le cas pour la Turquie—où les finances ne sont soumises à aucun contrôle public, où les Budgets ne sont pas livrés, en temps utile, à la publicité, on chercherait en vain les garanties d'ordre et d'exactitude pouvant constituer un titre, de nature à obliger les tiers. Il conviendrait donc, avant de prendre une résolution définitive, de procéder à un sévère examen des renseignements donnés par la Porte et de prendre en sérieuse considération les observations présentées par les États intéressés.

Nous ne possédons aucun moyen de contrôle sur l'ensemble des recettes de l'Empire Ottoman, indiqué par Mr. Vincent. Mais il n'en est pas de même pour celles de provinces cédées à la Grèce, que Mr. Vincent évalue à 9,107,500 fr. D'après des renseignements recueillis à Constantinople et en Thessalie, et sur lesquels on ne saurait exprimer le moindre doute, la Porte tirait—de la Thessalie et du district d'Arta, au moyen d'un système inégal et oppressif d'impôts, qui n'était pas appliqué à des régions plus favorisées—un revenu annuel de 7,802,443 fr. Dans cette somme sont compris 616,619 fr., produit de la taxe d'exonération du service militaire, qui devrait, comme on l'a dit plus haut, subir une réduction considérable, ou n'être pas comprise dans les revenus publics.

Pour bien apprécier l'exactitude de ces renseignements, il suffira de remarquer que le Gouvernement Hellénique, ayant introduit en Thessalie et dans le district d'Arta un système régulier d'impôts, basé sur l'égale répartition des charges, leurs revenus ne se

sont élevés la première année qui a suivi leur annexion à la Grèce qu'à 5,695,000 fr. Cette somme représente certainement la force contributive de ces provinces.

Cela établi, la quote-part de la dette Turque afférente à la Grèce serait, même sans déduction de la taxe d'exonération de service militaire, de 1·751 pour cent et non de 2·002 pour cent, comme Mr. Vincent l'a indiqué.

De la Dette Publique Ottomane.

Un Décret Impérial du $\frac{8}{20}$ Décembre, 1881, a fixé, provisoirement, le chiffre de la Dette Publique Ottomane à £ T. 106,437,234, sous la réserve qu'il devra être réduit d'une somme égale à la valeur des obligations qui ne seraient pas présentées au Contrôle jusqu'au 1er Janvier, 1885.

De ce chiffre, il convient de retrancher, en premier lieu, pour ce qui concerne la quote-part de la Grèce, £ T. 14,206,000, affectées à la construction de chemins de fer Ottomans, livrés à la circulation et desservant des régions étrangères aux provinces que la Porte a cédées au Royaume Hellénique. Les Représentants des Puissances devraient, en second lieu, tenir compte de la circonstance, que la Grèce a pris possession d'un pays appauvri et épuisé par l'absence de toute prévoyance administrative, et ne pas grever ses finances de cette partie de la dette Ottomane qui n'a servi qu'à la construction de navires de guerre et à l'achat de matériel de guerre, qui est encore aujourd'hui en possession du Gouvernement Ottoman.

Sur la base de ces indications, dont il serait difficile de contester l'exactitude, la part de la dette Ottomane afférente à la Grèce ne serait, sur les £ T. 92,231,234, qui resteraient après la déduction des £ T. 14,206,000, affectées à la construction des chemins de fer Ottomans, que de £ T. 1,502,522. Et cela dans l'hypothèse que la vérification des recettes de l'Empire et du chiffre de la dette Ottomane ne donnerait aucun résultat de nature à justifier une réduction en faveur du Royaume Hellénique. Cette somme, la Grèce se réserve de la reconnaître lorsque la vérification des revenus de la Turquie sera opérée par les Représentants des Grandes Puissances, et que l'on sera en mesure d'apprécier la valeur des obligations qui auront été présentées au Contrôle, jusqu'au 1er Janvier, 1885.

Sur la part de la dette Ottomane qui lui sera attribuée d'une manière définitive, la Grèce payera, chaque année, une somme proportionnelle à celle que la Porte a, en vertu du Décret Impérial du 8 Décembre, 1881, désignée pour le service de ses emprunts.

(Translation.)

MR. VINCENT estimates the annual revenues of the Ottoman Empire at 18,190,000*l.* (150,000,000 fr.).

The Convention of the 11th June, 1881, stipulated (Article X) that Greece should bear a part of the Ottoman Public Debt *proportionate to the revenue of the ceded provinces;* but no date was named to serve as a basis for making the calculations so as to arrive at the sum of apportionment to be fixed, nor was any process mentioned by which that apportionment should be carried out. It would appear, then, that before proceeding to settle the apportionment, the Representatives of the Great Powers should first determine the amount of the Turkish revenues in general, and those of each of the ceded provinces in particular, at a period the nearest approaching the period when the rights over them and the obligations accruing thereby to the States interested first commenced. They should also take into account the events which have operated important changes in the revenues of the Turkish Treasury, and which have modified the fiscal condition of the Empire.

In order to effect an equitable apportionment of the obligations of the different States which obtained territorial concessions from Turkey, it would be right to take into consideration the following observations:—

1. The territorial limits of the Ottoman Empire have at various periods been curtailed, and its financial resources have in consequence been diminished, and the burden of the Turkish debt which was contracted to meet the requirements of a large State, and a larger amount of population, has had to be borne by a smaller numerical population, and a territory curtailed in extent.

2. The provisional modification of the fiscal condition of the Empire applied from time to time in certain provinces, either by the increase or decrease of the taxes imposed on objects liable to pay those taxes, has exercised a sensible variation from year to year on the receipts of the Turkish Treasury. Thus the Budget of 1874-75 showed an increase of revenue amounting to a sum of 83,000,000 fr. over the

previous year; whilst the Budget of 1875-66 showed a decrease over the preceding year of 50,000,000 fr.

3. In consequence of the Porte not adopting a uniform system of control over the receipt of taxes, it is next to impossible to fix with accuracy an equitable proportion between the total production of the whole of the Turkish taxes distinguished from those different provinces separately. Thus the most productive Custom-houses, the duties on articles of consumption in the large towns, and other branches of public revenue in which the duties were easily collected, were farmed out to persons who paid to the Treasury a fixed sum, which had previously been fixed, on a deduction being made on account of the general expenses of collection and also no doubt of the profits which the persons who farmed the taxes expected to derive by the operation. On the other hand, the expenses of ascertaining and controlling the amount of taxes directly collected by the fiscal agents were entered on the Budget of expenses of the Empire. These last observations apply more particularly to the provinces ceded to Greece, where the taxes were directly collected by Turkish officials.

4. Amongst the fixed revenue of the Empire the value of immovable or State property has been included—the revenues from which were non-existent when the cession of Thessaly to Greece took place—as that property had been already disposed of on the Imperial Government account.

5. The Porte includes also amongst the items of public revenue the tax raised on exemption from military service, amounting to a sum of 20,000,000 fr., counting all the Christians inhabiting the Turkish dominions, on whom alone this tax is imposed.

Inasmuch as Thessaly is almost exclusively peopled by Christians, the proceeds of this tax, which is computed unequally, would raise the portion of the Ottoman debt to be paid by Greece. It follows, then, that the Representatives of the Great Powers should on this point adopt a mode of partition which would extend to all the subjects of the Sultan irrespective of their religious denominations. Should such a mode not be adopted then the provinces inhabited by Christians would alone be called upon to bear the onus of a tax which, we think, ought not to be reckoned as an item of Turkish revenue as regards the provinces ceded by Turkey.

The Representatives of the Great Powers will have to weigh the observations we have made on this point, and to test the accuracy of the information furnished to them with respect to the finances of the Empire. In a State like Turkey, where the finances are subjected to no public control, and where the Budgets are not submitted at the proper time to public notice, one would seek in vain for the guarantees of regularity and accuracy which would constitute a claim to be respected by a third party. It would be expedient, therefore, before arriving at a definite resolution, to enter into a strict examination of the information published by the Porte, and to take into serious consideration the observations made by the States who will be called upon to pay.

We have no means of exercising any control over the stated total of receipts of the revenue of the Ottoman Empire as given by Mr. Vincent. But the case is different as regards the provinces ceded by Turkey to Greece, the revenues of which Mr. Vincent estimates at the sum of 9,107,500 fr. According to information obtained at Constantinople and in Thessaly, concerning the accuracy of which no doubt exists, the Porte extracted from Thessaly and the Province of Arta, by means of an illegal and arbitrary system of taxation, which was not applied to more favoured parts of the Empire, a yearly revenue of 7,802,443 fr. In that sum is included 616,619 fr., the produce of the tax levied for exemption from military service, which should properly, as has been already stated, be subjected to a considerable reduction or not figure at all as an item of Imperial Public Revenue.

In order to appreciate thoroughly the accuracy of this information, it will suffice to state that the Greek Government, having introduced into Thessaly and the district of Arta a regular system of taxes, based on an equal distribution of them, their produce amounted during the first year after the cession to the sum of 5,695,000 fr., and this sum may be taken as the measure of what the province will produce in taxes.

Taking for granted the correctness of the above observations, the part of the Ottoman debt which Greece will have to bear, minus the deduction claimed with regard to the military exemption tax, would be 1·731 per cent., and not 2·002 per cent., as Mr. Vincent states.

Concerning the Public Debt of Turkey.

An Imperial Decree, dated the $\frac{8}{20}$th December, 1881, fixed provisionally the total debt of Turkey at £ T. 106,137,234, with the reservation that the above-stated amount

should be reduced by a sum equal to the value of the bonds which are not presented for payment up to the 1st January, 1885.

From that amount it would be right to deduct, with regard to that part of the debt to be borne by Greece, a sum of £ T. 14,206,000, which represents the money which was spent by the Turkish Government in the construction of railways in parts of Turkey other than those lately ceded by Turkey to Greece, and the Representatives of the Great Powers should lay stress on the fact that Greece came into the possession of a province which had been impoverished owing to the want of proper administrative care and attention; also that Greece should not be made to pay for any portion of the Turkish debt incurred for the purchase of iron-clad vessels and for materials of war; inasmuch as the iron-clads and the materials remain in the hands of Turkey.

It would then be difficult to deny, taking into account the above observations, that the part of the Ottoman debt to be borne by Greece should be represented by a sum of £ T. 1,592,522, based on a sum of £ T. 92,231,234, deduction being made of £ T. 14,206,000 (spent on railways) out of the sum of £ T. 106,437,234; and the sum of £ T. 1,592,522 is only stated on the supposition that an examination of the Turkish revenue and Turkish debt proves the statement made of them to be accurate, and that no other facts may arise which would operate in effecting a further reduction in favour of Greece. The sum of £ T. 1,592,522 is only named under reserve, nor will it be acknowledged to be correct until after an examination has been made of the revenues of Turkey by the Representatives of the Great Powers, and until an opportunity has presented itself of ascertaining the value of the Turkish bonds to be presented up to the 1st January, 1885.

On that part of the Ottoman debt which will fall to Greece's share, Greece will pay every year a sum in proportion to that which Turkey will pay to the bondholders of the Turkish debt in virtue of the Imperial Decree of the $\frac{8}{20}$th December, 1881.

No. 38.

Viscount Lyons to Earl Granville.—(Received November 10.)

(No. 765.)
My Lord,

Paris, November 9, 1883.

WITH reference to my despatches Nos. 6 and 7 of the 4th January, 1881, and to subsequent correspondence, respecting M. Valfrey's missions in connection with the claims of the Ottoman bondholders, I have the honour to report to your Lordship that on the 5th instant I received a visit from that gentleman, for which I had been prepared by M. Charles Mallet, Director of the Ottoman Bank.

M. Valfrey made a communication to me, of the substance of which he afterwards sent me a Memorandum in the following terms:—

"Les grands établissements financiers de Paris, constitués en Syndicat pour la protection des intérêts des porteurs Français de la Dette Ottomane, sont préoccupés de leur assurer l'intégralité des ressources délaissées à leur profit par le Décret Impérial du 21 Décembre, 1881. A cet effet ils viennent de désigner M. Valfrey, pour faire, auprès des Puissances Signataires du Traité de Berlin, des démarches, en vue de faciliter, au moyen de la réunion d'une Conférence Internationale à Constantinople, l'exécution des Articles de ce Traité, concernant la fixation des parts contributives et tribut afférents aux provinces qui ont été détachées de l'Empire Turc de 1878 à 1881.

"La désignation de M. Valfrey a été portée à la connaissance du Gouvernement Français par les établissements précités, qui ont sollicité en même temps pour M. Valfrey des lettres de recommandation auprès des Représentants de la République à l'étranger. M. le Ministre des Affaires Étrangères a bien voulu déférer au désir des établissements financiers, et écrire en conséquence aux Ambassadeurs de France près des Cours de Londres, Vienne, Berlin, Rome, et St. Pétersbourg.

"La mission de M. Valfrey est conçue et doit s'accomplir en dehors de toute préoccupation politique; c'est ainsi que l'ont entendu, et les établissements financiers qui en ont eu l'idée, et M. Valfrey, à qui en est confiée l'exécution.

"Il serait donc d'une grande importance pour ce dernier, avant de se rendre en Angleterre afin de se mettre en communication avec les représentants attitrés des porteurs de fonds Ottomans, de savoir dans quelle mesure son intervention concorde avec la politique générale du Gouvernement de Sa Majesté Britannique, et pourrait rencontrer ses sympathies officieuses.

"M. Valfrey, qui n'a point oublié la haute bienveillance de son Excellence, Lord

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Lyons, au point de départ des négociations de 1881, attacherait beaucoup de prix à en recevoir encore aujourd'hui l'expression."

The day before yesterday I mentioned to M. Challemel-Lacour the interview I had had with M. Valfrey, and I asked his Excellency what were the views of the French Government with regard to that gentleman's intentions.

M. Challemel-Lacour answered that the mission with which M. Valfrey was charged by the representatives of the French bondholders was looked on with favour by the French Government, and that M. Valfrey would be furnished with letters of recommendation to the French Ambassadors in London, Berlin, Rome, St. Petersburgh, and Vienna, but that the French Government were not to be considered as officially connected with the mission, or as officially committed to its proceedings.

I observed that the specific object of the mission, the assembling an International Conference at Constantinople, appeared to have a marked diplomatic and political character, and I asked whether the French Government were in favour of such a Conference.

M. Challemel-Lacour, however, declined to say anything more definite than that, without assuming any official responsibility for M. Valfrey's mission, the French Government regarded it, unofficially, with good-will, and would be very glad if it should be productive of advantage to the bondholders.

As your Lordship will have seen, M. Valfrey expressed to me a desire to learn, before he went to England to place himself in communication with the representatives of the bondholders there, how far his intervention would be in accordance with the general policy of Her Majesty's Government, and would obtain their unofficial favour ("sympathies officieuses").

I merely told M. Valfrey that I would think of the matter; and I venture to ask your Lordship to send me instructions as to what I shall say to him when he asks me for a more definite answer.

I have, &c.
(Signed) LYONS.

No. 39.

The Earl of Dufferin to Earl Granville.—(*Received December* 3, 3·45 P.M.)

(No. 90.)
(Telegraphic.) *Constantinople, December* 3, 1883, 12·45 P.M.

CONTRIBUTIVE parts of Turkish debt. Vincent's Memorandum. Porte rejects first proposal, because it fixes an invariable rate of interest of 2 per cent. to be paid by States, while possible expansion of Turkish revenues would [? increase] regular rate of interest and amortization to be paid by Turkey up to 5 per cent. Porte also considers second proposal inadmissible, because purchase of bonds for amortization to so large an amount would entail a rise in market prices, and the States would therefore buy fewer bonds than should represent their quotas, the Porte remaining liable for difference. On this point Porte makes a counter-proposal to the effect that a number of bonds, proportionate to its quota, should be allotted for purchase to each State, who should buy them on their own account, subsequently remitting them to the Turkish Government for cancellation. I will telegraph Caillard's remarks on foregoing to-morrow.

No. 40.

The Earl of Dufferin to Earl Granville.—(*Received December* 8.)

E
(No. 663.) *Constantinople, December* 3, 1883.

My Lord,

WITH reference to your Lordship's despatch No. 312 of the 12th September last, I have the honour to transmit herewith to your Lordship copy of a Memorandum stating the views of the Sublime Porte in regard to the two solutions, which were communicated to it in an unofficial form by Her Majesty's Embassy, for regulating the contributive parts of the Ottoman Public Debt to be borne by Bulgaria, Servia, Greece, and Montenegro.

The Memorandum explains that the Sublime Porte is unable to agree to the first alternative, which proposes an invariable rate of interest of 2 to 2½ per cent. to be paid by the States on the capitalized portion of the debt allotted to them, on the

ground that, while the States would pay no more than the above fixed rate, an expansion of the revenues affected to the service of the debt, and more especially those accruing from the tobacco régie, might, by the Decree of 8th (20th) December, 1881, entail on the Sublime Porte the obligation of paying a maximum rate of interest and amortization of 5 per cent.

The Sublime Porte further considers as equally unacceptable the second solution, which, in view of present market price, fixes the total capitalized amount of the debt to be borne by the States at about 3,528,000*l.* to be procured by private loans, inasmuch as it being obligatory to apply the above sum to the purchase of bonds for amortization a considerable rise in the market would ensue, and the difference between the present value of the bonds, and that which would be required to purchase them at the enhanced prices would be saved to the States, but would add to the amount of the debt to be borne by the Porte.

The Memorandum makes a counter-proposal, and suggests that the States should themselves purchase bonds equivalent to their respective shares, and remit these bonds to the Ottoman Government for cancellation.

I have the honour to transmit, at the same time, copy of a Memorandum which I have received from M. Caillard, the Delegate of the British Bondholders, on the observations contained in the communication from the Sublime Porte.

I have, &c.
(Signed) DUFFERIN.

Inclosure 1 in No. 40.

Memorandum.

LE Mémorandum communiqué à titre officieux par l'Ambassade de Sa Majesté Britannique sur la part contributive de la Dette afférente à la Principauté de Bulgarie et aux territoires cédés à la Grèce, à la Serbie, et au Monténégro, indique deux manières de résoudre cette importante question.

La première proposition consiste à établir que la Bulgarie et les trois États sus-indiqués dont la part contributive à la Dette Ottomane s'élève à un total de £ T. 14,235,978 payeront un intérêt fixe de 2 à 2½ pour cent.

La Sublime Porte ne croit pas pouvoir se rallier à ce mode de solution. En effet, dans le cas où les revenus affectés au service de la Dette, et en particulier le produit de la régie des tabacs, permettraient au Gouvernement Impérial de payer un surcroît d'intérêt proportionné à l'augmentation de ces revenus, et où ils surpasseraient le 2 ou 2½ pour cent les États susmentionnés s'en tiendraient toujours en ce qui les concerne au payement de ce dernier chiffre; ce qui, indépendamment du préjudice résultant pour les porteurs de titres eux-mêmes, serait d'autant moins équitable que le Gouvernement Impérial peut être appelé, en raison du développement de ses ressources, à payer un intérêt et un amortissement dont le maximum atteindrait, d'après le Décret du 8 (20) Décembre, 1881, de 5 et non pas de 4 pour cent.

Quant à la seconde proposition, qui consisterait à fixer au chiffre de trois millions cinq cent vingt-huit mille et tant de livres la somme représentant la quote-part de la Dette Ottomane qui serait à la charge des dits États, et à laisser à censer la faculté de s'en libérer en contractant des emprunts particuliers, la Sublime Porte ne la considère pas non plus comme acceptable, attendu que le montant de cette somme devant être affecté à l'acquisition de titres, la différence de prix qui résulterait de la hausse probable au moment de l'achat serait au préjudice du Trésor Impérial.

La Sublime Porte est d'avis que pour sauvegarder tous les intérêts il serait préférable que la Bulgarie et les trois États appelés à prendre à leur charge une partie de la Dette achetassent eux-mêmes la quantité de titres de la Dette Ottomane qui leur serait attribuée et remissent ces titres eux-mêmes au Gouvernement Impérial, par l'entremise duquel ils seraient annulés.

Si ce mode de procéder était adopté il amènerait le réglement de l'affaire.

1er *Décembre*, 1883.

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Inclosure 2 in No. 40.

Memorandum by M. Caillard.

WITH regard to the remarks made by the Porte on the first solution offered by Mr. Vincent, the eventuality to which reference is made is unfortunately remote, and there is little probability that for a considerable number of years the rate of interest paid by the Porte to its creditors will exceed 1 per cent., or, including rate of amortization, even 2 per cent. It is therefore distinctly to the advantage of the Porte for the present, and for some time to come, that a rate of 2 per cent. should be assigned to the States. After some years, it is possible that the revenues may be so improved as to allow a higher rate of interest and amortization to be paid than 2 per cent. But this would be amply counterbalanced by the amounts previously paid by the States, and the balance struck by Mr. Vincent was probably as fair as such a compromise could be made to be.

Proposition A is not, however, either for the Porte, the States, or the bondholders nearly so advantageous as Proposition B. The remarks advanced by the Porte on this are perfectly logical, and even unanswerable as a matter of pure right. The mere fact that the contributive parts had been settled would send the prices up, and when very large purchases were commenced, however well they might be carried out, the large amounts would raise suspicion, and a further considerable rise would ensue, which would undoubtedly entail a certain loss upon the Porte in the number of bonds amortized.

Against this, however, must be set the following considerations :—

Supposing the States to pay the same rate at present as the Porte on their quota of the debt, 1 per cent. on 14,235,978*l.* would produce 142,359*l.*, which would purchase about 569,436*l.* of bonds. The Porte in the next year would have to pay the interest on 14,235,978*l.*—569,436*l.* at 1 per cent., *i.e.*, 136,665*l.*, so that in round numbers it would gain only about 5,694*l.* cash.

Now suppose, owing to rise in market prices, only 13,000,000*l.* of the debt to be extinguished at once, the clear gain per annum would be 130,000*l.* cash, an amount which could only increase. The whole of this must be applied to amortization. In other words, the debt would be reduced at present rates over and above the 14 millions odd by about 520,000*l.* in the next year, and by the same amount plus that, representing the interest thus set free in each succeeding year.

The States not being by any means forced by the Decree or the Treaty of Berlin to extinguish the whole of their debts at once, it is evident that were the Porte to accept Mr. Vincent's second proposition, any loss entailed upon it by rise of market prices would rapidly be compensated in the manner above set forth.

Moreover, the question is really one of expediency. The amounts proposed by Mr. Vincent are probably the utmost the States could pay. If a still heavier burden were laid upon them they would probably pay nothing, or at least only small sums for form's sake. The bondholders and the Sublime Porte would then be losers to the extent of, say, 13,000,000*l.* immediately, and subsequently of 520,000*l.* per annum and upwards.

At the same time, if the Porte insists, as it is logically justified in doing, on its present proposition, it should likewise be insisted that the States should purchase the bonds within a given time, say, two years, or the advantages of the proposition now made would be lost both for the Porte and the bondholders, because the States might naturally endeavour to extend their purchases over the longest period of time possible.

No. 41.

Mr. Courtney, M.P., to Sir J. Pauncefote.—(Received December 11.)

Treasury Chambers, December 10, 1883.

Sir,

WITH reference to Mr. Currie's letter of the 21st September last, further respecting the payments out of the surplus revenue of Cyprus, I am directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, for the information of Lord Granville, that there still remains due to the Vote for Consular Services a sum of 13,102*l.* on account of the Synge and Suter ransoms; but that, as a further sum of 5,000*l.* has been received from the Crown Agents, my Lords have directed a transfer

of that amount to the Consular Vote in further reduction of the debt. This will leave a balance of 8,102*l.* still due.

Assuming that the Porte makes no provision during the year 1884 for the interest, &c., of the Guaranteed Loan, it will be necessary to provide the sum of 81,753*l.* (or thereabouts) from the Cyprus surplus in order to complete, with the Egyptian tribute, the amount required for interest and management; and as the surplus is now fixed (subject to some small temporary deductions) at 92,440*l.*, it follows that, after discharging the above-mentioned balance still due to the Consular Vote, there will remain a small surplus, which when it accrues my Lords agree shall be handed over to the Porte.

It continues, however, to be the duty of this Board to request that the Porte may be pressed to fulfil its obligation of providing a sinking fund for the gradual extinction of the Guaranteed Loan; and they are anxious that such application should, unless Lord Granville has serious reason to the contrary, be accompanied with an intimation that, in default of such provision being made, Her Majesty's Government will feel compelled to make themselves a beginning of a sinking fund with the balance of the Cyprus surplus which remains after payment of interest and management.

I have, &c.
(Signed) LEONARD COURTNEY.

No. 42.

Mr. Bouverie to Earl Granville.—(Received December 19.)

Council of Foreign Bondholders, 17, Moorgate Street, London, December 18, 1883.

My Lord,

I AM requested by the Council of Foreign Bondholders to call your Lordship's attention to the position of the holders of Turkish bonds, with reference to the Treaty of Berlin, taken in conjunction with the Imperial Iradé of the Sultan, dated December 1881, and to the claims of the bondholders arising therefrom.

That the amount of the contributive parts of the Ottoman Public Debt to be paid by Greece and the Balkan States should be settled, and that the States in question should be obliged to pay their respective shares, when that settlement has been arrived at, is not only a matter of considerable importance as regards proper compliance with the provisions of the Treaty of Berlin, but also one of mere justice both to Turkey and her creditors.

Whilst all pressure has been exercised on the former to induce her to carry out such provisions as, it must be confessed, either entail actual loss on her, or at least produce for her no direct advantage, and whilst, by the fortune of war, her annual revenues have been reduced, roughly, from 17,250,000*l.* to 12,500,000*l.*, practically no action has been taken by the Signatory Powers of the Treaty of Berlin, England alone excepted, to obtain for Turkey the one slight compensation which was allowed her.

Again, by the Imperial Decree of the 8th (20th) December, 1881, all the sums accruing to the Imperial Government, as the contributive parts of Servia, Montenegro, Bulgaria, and Greece to the debt, according to the Treaty of Berlin, were irrevocably ceded, amongst other revenues, for the service of the Debt.

By the protracted delay of this question a great injustice is therefore being done, both to the bondholders and the Porte; the former do not see, as they ought, the bonds which they hold converted into hard cash by amortization, the latter are deprived of the immense advantage of a large diminution of the debt, and, moreover, have to face a larger strain on their resources than they otherwise would have to meet, by being obliged to pay, as some slight compensation for the lack of the Bulgarian tribute, a further yearly sum of £ T. 100,000 to their creditors.

While the territories to be ceded to the different States had not been finally agreed upon, and the new frontiers not laid down, there was doubtless some good reason for non-payment on the part of the States. But this state of affairs, for all except Montenegro, has long ceased to exist. Bulgaria and Servia have been in enjoyment of their newly-acquired lands, and all the revenues accruing therefrom respectively, for upwards of three and four, and Greece for upwards of two, years, not one sixpence of their money has, however, yet found its way into the coffers of the Porte. Even in the case of Montenegro, the whole of whose frontiers are not

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actually set out, it is only by a rigid application of terms that that country can be said not to have acquired the territory to be ceded to it.

It has long been in possession of the districts of Dulcigno, and Antivari and Podgoritza, which form the richest of its new acquisitions—the remainder of the delimitation is now almost completed, and there is no real reason why Montenegro should not also be forced to bear her fair share of the debt.

It appears that the Porte and all the other Signatory Powers of the Treaty of Berlin are willing to come to some definite arrangement in the matter, with the one important exception of Russia. This country, wishing to present itself as the protector of Bulgaria, has absolutely refused to take part in any discussion on the subject, and opposed a flat *non volumus* to all and every proposition to open the discussion that may be made.

She has also been actuated by more interested motives.

It is worthy of remark that at the very outset she protested against the hypothecation of the Bulgarian tribute to the bondholders, on the ground that it was a "new revenue," and this apparently with the hope of obtaining that tribute as part of the Turkish war indemnity.

This indemnity having been fixed, she pressed her claims for a separate indemnity on Bulgaria for the "Army of Occupation," and hastened to have these settled before any arrangement had been discussed in regard to the bondholders.

An agreement on this head was come to a few weeks ago, and the indemnity was fixed at 6,000,000 roubles.

This being so, Russia, having no further claims to be satisfied, can no longer object to the hypothecation of the tribute to the bondholders.

Also, as regards Russia's ambition to appear as the protector of Bulgaria, the relations between the two countries not being on so cordial a footing just now, owing to the late quarrel on "military question" and the other recent strong differences of opinion between Prince Alexander and his Russian advisers, possibly Russia may not turn so deaf an ear to the just claims of the Porte on her protégé.

It is therefore submitted that it might be well to seize this favourable moment to press the settlement of the "contributive parts" on Russia without delay, and to instruct our Ambassador at St. Petersburgh to take steps to attain that end. He might be requested to represent that the refusal of the Russian Ambassador at Constantinople even to discuss the question not only prevents any payment by Bulgaria, but also that by Servia and Greece, who have not the shadow of a pretext to refuse compliance with the decisions arrived at concerning them by the Congress and Conference of Berlin respectively. If the Russian Ambassador at Constantinople consented to discuss the matter in principle, then at least the contributive parts of the two last countries named, and possibly also that of Montenegro, might be speedily settled, and some part of the loss borne by the Porte, and the bondholders saved a loss amounting to at least 1,100,000*l.* annually (nominal amount of amortization).

Bulgaria being, by Article IX of the Treaty, in a peculiar position, her tribute and the proportional part accruing to the Public Debt might be rather more difficult to determine, and its settlement might, as a concession to Russian *amour-propre*, be deferred till after the others had been decided. But that is no reason for indefinite delay; indeed, Article IX of the Treaty of Berlin expressly provides that the amount of the tribute shall be determined by an agreement between the Signatories at the end of the first year of the working of the new organization, a term long since passed.

It is further submitted that these initial steps having been taken at St. Petersburgh, it is of the first importance to press on the Porte in the strongest way the absolute necessity of inviting the Ambassadors at Constantinople (*vide* Articles IX, XXXIII, and XLII, Treaty of Berlin) to take part in a Conference in order to discuss the question in principle and in detail. Turkey being the Power chiefly interested, the initiative in this respect naturally rests with her. The only practical way of arriving at a definite decision on the subject seems to lie in the assembly of such a Conference. If each of the Representatives sends a separate note to the Porte on the subject, the latter will treat them piecemeal, and, true to the traditions of Turkish diplomacy, will meet each one with new objections, or counter-proposals, an endless diplomatic correspondence being the result.

A Conference, on the other hand, could deal more summarily with such diplomatic evasions, and would arrive at a practical result with far greater ease and rapidity.

It is, moreover, evident that were an invitation issued, Russia would probably be loth to assume the responsibility of being the only Power to oppose the carrying into

effect of the provisions of the Treaty of Berlin, as would be the case if the Ambassadors at Constantinople refused to take part in the discussions of the Conference.

I have, &c.
(Signed) E. P. BOUVERIE.

No. 43.

Earl Granville to Viscount Lyons.

(No. 1254.)
My Lord, *Foreign Office, December* 20, 1883.

I HAVE had under my consideration your Excellency's despatch No. 765 of the 9th ultimo on the subject of M. Valfrey's intention to come to this country in connection with a proposal of certain financial establishments at Paris for an International Conference at Constantinople for the purpose of settling the amount of tribute to be paid by Bulgaria to Turkey, and the share of the Ottoman Debt to be borne by that Principality, and by Greece, Servia, and Montenegro; the object being to secure to the Turkish bondholders the revenues assigned to them under the Sultan's Decree of the 21st December, 1881.

As your Excellency is aware, Her Majesty's Government held entirely aloof from the negotiations carried on at Constantinople in 1881 between the Turkish Government and the representatives of the bondholders, and they are not now disposed to take any action in connection with M. Valfrey's mission.

I am, &c.
(Signed) GRANVILLE.

No. 44.

Viscount Lyons to Earl Granville.—(Received December 24.)

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(No. 879. Confidential.)
My Lord, *Paris, December* 22, 1883.

WITH reference to my despatch No. 765 of the 9th ultimo, I have the honour to report to your Lordship that M. Valfrey called upon me this morning and told me that he had thought it advisable to go to Montreux, in Switzerland, to see M. de Giers, the Russian Minister for Foreign Affairs, on the subject of the parts of the Turkish Debt to be borne, according to the Treaty of Berlin, by the provinces detached by that Treaty from the Ottoman Empire.

M. Valfrey had, he said, been very kindly received by M. de Giers. Their conversation had been, of course, confidential and unofficial. It had naturally turned chiefly upon the special case of the contribution to be made by Bulgaria.

M. de Giers had agreed, first, that there was nothing in the general state of affairs, or in the particular state of things in Bulgaria, which rendered the discussion of the question inopportune; and, secondly, that undoubtedly Bulgaria was bound under the Treaty of Berlin to contribute a reasonable sum to the service of the Turkish Debt. His Excellency had, however, observed that it appeared that a sum very unreasonably large had been claimed.

M. Valfrey had, he went on to say, taken to M. de Giers the next day the Memorandum by Mr. Edgar Vincent which had been published in the "Times" in the summer.

M. de Giers had appeared to consider the sum assigned in that Memorandum to Bulgaria as not exorbitant, and had ended by inviting M. Valfrey to come to St. Petersburgh to discuss the question there with him. M. Valfrey had accepted the invitation, and intended, he told me, to go to St. Petersburgh at the end of January.

Finally, M. Valfrey said to me that, on his return from Montreux a few days ago, he had communicated what had passed between M. de Giers and himself to the French Minister for Foreign Affairs, who had said that the results of the interview at Montreux were interesting and important to the French Government, although that Government was, perhaps, less called upon than were some others to bestir itself in the matter.

M. Valfrey begged that all he had told me might be treated as confidential.

I understood that he had postponed his intended visit to London, at all events until after his return from St. Petersburgh.

The Memorandum given by M. Valfrey to M. de Giers was, I presume, that whic appeared in the "Times" on the 18th August last, and which was communicated to your Lordship by Mr. Edgar Vincent in a letter dated the 25th of that month, and printed in Section No. 96 of the Confidential Print "Turkey Finance."

I have, &c.
(Signed) LYONS.

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